

Bernard Mandeville: Wealth beyond Vice and Virtue

Documento CEDE

Jimena Hurtado

#7



Serie Documentos Cede, 2023-7 ISSN 1657-7191 Edición electrónica. Marzo de 2023

© 2023, Universidad de los Andes, Facultad de Economía, CEDE. Calle 19A No. 1 – 37 Este, Bloque W. Bogotá, D. C., Colombia Teléfonos: 3394949- 3394999, extensiones 2400, 2049, 2467

infocede@uniandes.edu.co http://economia.uniandes.edu.co

Impreso en Colombia - Printed in Colombia

La serie de Documentos de Trabajo CEDE se circula con propósitos de discusión y divulgación. Los artículos no han sido evaluados por pares ni sujetos a ningún tipo de evaluación formal por parte del equipo de trabajo del CEDE. El contenido de la presente publicación se encuentra protegido por las normas internacionales y nacionales vigentes sobre propiedad intelectual, por tanto su utilización, reproducción, comunicación pública, transformación, distribución, alquiler, préstamo público e importación, total o parcial, en todo o en parte, en formato impreso, digital o en cualquier formato conocido o por conocer, se encuentran prohibidos, y sólo serán lícitos en la medida en que se cuente con la autorización previa y expresa por escrito del autor o titular. Las limitaciones y excepciones al Derecho de Autor, sólo serán aplicables en la medida en que se den dentro de los denominados Usos Honrados (Fair use), estén previa y expresamente establecidas, no causen un grave e injustificado perjuicio a los intereses legítimos del autor o titular, y no atenten contra la normal explotación de la obra.

Universidad de los Andes | Vigilada Mineducación Reconocimiento como Universidad: Decreto 1297 del 30 de mayo de 1964. Reconocimiento personería jurídica: Resolución 28 del 23 de febrero de 1949 Minjusticia.



Documento CEDE

Descripción: los documentos CEDE son producto de las investigaciones realizadas por al menos un profesor de planta de la Universidad de los Andes o sus investigadores formalmente asociados.



Bernard Mandeville: Wealth beyond Vice and Virtue¹

Jimena Hurtado²

Abstract

Bernard Mandeville denounced the moral philosophy of his times, its theoretical and practical dimensions, as elitist and contrary to human nature. The explanations and recommendations derived from this moral philosophy, according to Mandeville, were inadequate to understand and govern commercial society. Mandeville scrutinized existing theories about human nature, confronted them with what he presented as facts and unraveled their contradictions. This leads to Mandeville's challenge: accepting things as they are or assuming the responsibility of transformation. This is the challenge I explore in this paper. We can continue to live in a highly unequal society based on pride and shame or we can create incentives that will lead to a different calculation of passions in line with a Utilitarian criterion.

Key words: Bernard Mandeville, moral philosophy, Utilitarianism.

JEL Codes: A13, B11, B31.

¹ I thank participants at the conference celebrating the 300 years of Mandeville's *Fable of the Bees*, held in 2014 in the Erasmus University of Rotterdam for their comments on the first version of this paper. My thanks also to Pat Lynch, who organized and coordinated the virtual discussion in the Liberty Matters feature around M. Tolonen's essay "Mandeville, Hayek, and the Politics of Self-Esteem" in October 2020. Special thanks to Bruno Simões for organizing a special issue of the *Revista de Filosofia Moderna e Contemporânea* on Mandeville and for his comments and suggestions.

² Professor, Economics Department, Universidad de los Andes.

Bernard Mandeville: riqueza más allá de virtud y vicio³

Jimena Hurtado⁴

Resumen:

Bernard Mandeville denunció las dimensiones morales y prácticas de la filosofía moral de su tiempo por elitista y contraria a la naturaleza humana. Según Mandeville, las explicaciones y recomendaciones de esta filosofía moral eran inadecuadas para entender y gobernar la sociedad comercial. Mandeville exploró las teorías existentes sobre la naturaleza humana y las escudriñó a la luz de lo que presentaba como hechos para mostrar sus contradicciones. De esta manera, Mandeville presenta, aún hoy en día, un desafío: aceptar las cosas como son o asumir la responsabilidad de la transformación. Este ese el desafío que pretendo explorar en este documento. Podemos continuar viviendo en una sociedad profundamente desigual basada en el orgullo y la vergüenza o podemos crear incentivos que lleven a un cálculo diferente de pasiones en línea con un criterio utilitarista.

Palabras clave: Bernard Mandeville, filosofía moral, utilitarismo.

Códigos JEL: A13, B11, B31.

³ Agradezco los comentarios y sugerencias de personas participantes en la conferencia conmemorativa de los 300 años de la Fábula de las abejas de Mandeville en la Universidad de Rotterdam en 2014. Agradezco a Pat Lynch, de Liberty Fund, por darme la oportunidad de revisar este texto y participar en la discusión virtual de Liberty Matters entorno al texto de Miko Tolonen "Mandeville, Hayek, and the Politics of Self-Esteem. Finalmente, agradezco a Bruno Simões por organizer un número especial de la Revista de Filosofia Moderna e Contemporânea sobre Mandeville.

⁴ Profesorx, Facultad de Economía, Universidad de los Andes.

Bernard Mandeville: Wealth beyond Vice and Virtue

1. Introduction

Bernard Mandeville is an observer of his times. His texts earned him the nickname of "Man devil" and were considered a public nuisance. In particular, his *Fable of the Bees or Private Vices, Publick Virtues*⁵ presents in an explicit and direct form what he considers the true explanation of how the emerging commercial society works. He describes what he sees to give an account of human nature, and demonstrate how passions are the fundamental building blocks of a prosperous society. Concentrating his analysis on this account, Mandeville aims to, on the one hand, denounce the moral philosophy of his times, and, on the other, reconcile moral philosophy with a passionate human nature.

Mandeville underscores the almost exclusive importance of the description of facts and compares them with the normative concerns of the *Societies for the Reformation of Manners*. He denounces the arrogance, hypocrisy and egoism underlying those concerns, and the theoretical coverage Anthony Ashley Cooper, III Earl of Shaftesbury⁶, gives these societies by hiding and denying true human nature. Mandeville aims at showing the flaws of those who assimilate virtue with the denial and restriction of human passions, and how the theories and policies they produce are inadequate to understand and govern human society.

His analysis starts presenting an anthropology, based on what could be thought of as a natural human being without any social influence, continues showing how this natural human being adjusts to social life and ends with the acquisition of wealth and how market society works. In this text I will try to follow and reconstruct these three steps to show how Mandeville triggers a revolution in moral philosophy that represents a breaking point towards a particular notion of economic behavior beyond any moral consideration.

Mandeville's originality and the reason for his scandalous success rely upon his ability to synthesize existing ideas and confront them with their own contradictions. This confrontation opens the way to new analyses and developments in moral philosophy, which will make Mandeville an obligatory passage for all those who try to explain human society during the XVIIIth century. He pursues the project of his times: to explain the origin and functioning of society without any external force or intervention.

His starting point is human nature. Mandeville's account of human nature, from an economic philosophy perspective, takes the form of an observation: society is formed by individuals that are not virtuous because they follow their ostentatious passions, and this is all for the best⁷. Mandeville does not explore or explain this observation; he raises questions that follow from it.

⁵ All references to the *Fable* refer to F.B. Kaye's (1924) version in the 1988 Liberty Fund edition; roman numerals indicate the volume.

⁶ These attacks explain Francis Hutcheson's refutation *Remarks upon the Fable of the Bees* published in 1726. For an insightful analysis of Mandeville's opposition to Shaftesbury based on the role the former gives to hypocrisy in society see Douglass (2021 and 2022).

⁷ In this I follow Tolonen (2013) who presents Mandeville as an anatomist of the moral sentiments of citizens in commercial societies. An anatomist means Mandeville was not a champion of egoism, selfishness, hypocrisy or what were considered vices at the time. Mandeville does not promote antisocial behavior. Even if this is now largely

Mandeville confronts his reader with the reality he describes and pushes her towards a choice. It is in this sense that Mandeville's analysis can be considered as a challenge: we give up on transforming society, we accept human beings as they are, we leave the care of society to the legislator, we profit from opulence and we give free course to our passions; or, we do not give up on the salvation of human beings, we use this understanding of human nature to find an alternative explanation to the present state of things, and we transform it. This is a double challenge: we are carried away by fatality or we assume the responsibility of transformation.

2. Natural Human Being

Human beings are unable to recognize themselves because, argues Mandeville, all philosophers have told them how they should be instead of how they are (Fable i.39). This is why, Mandeville starts his inquiry with a concrete definition of a human being: "I believe Man (besides Skin, Flech, Bones, &c that are obvious to the Eye) to be a compound of various Passions, that all of them, as they are provoked and come uppermost, govern him by turns, whether he will or no" (Fable i.39).

All human beings are a compound of passions; it is those passions, and not reason, that dictate human conduct, and may lead to the formation of prosperous societies. Mandeville begins his explanation describing a human being outside society, still free from any social influence, and from any transformation due to social interactions. This so-called natural individual, as any other animal, follows her instincts, and seeks only her own pleasure with no regard for her fellow-beings (Fable i.39, 348-9, ii.178). Such behavior follows the law of Nature, which provides every living being with an instinct directed towards its own survival (Fable i.129, 200). This natural instinct, also known as self-love, acts through desires that attract living beings towards all that can benefit them and makes them avoid all that can hurt them (Fable i.200). Selflove, enhanced by a "real liking" for one self, is one of the main springs of human action. Besides self-love, self-liking (Fable ii.129-130) also plays a main role, and comes to be known as pride⁸ within society (Fable ii.131-132). Jointly, these two passions⁹ bring human beings together to guarantee material subsistence and security, on the one hand, and to seek opportunities to show each individual's value, on the other (Fable ii.33). Self-love directs self-preservation, and selfliking directs self-esteem as a product of our perceived relative worth.

recognized in the literature, what has been less discussed is Mandeville's focus on facts, and his quest of confronting what he characterized as an elitist moral philosophy with human behavior and human features that, according to his view, underpinned commercial society.

⁸ Douglass (2021) analyzes the central place Mandeville gives to pride in society and the constitution of social and moral norms. Douglass advances that Mandeville considers pride a vice, meaning that Mandeville asserts that society has morally compromised foundations. This leads Douglass to explore the Augustinian features of Mandeville's thought in contrast with his naturalistic views of human nature. I agree with Douglass in that Mandeville does not consider pride as a vice in terms of a previously existing or settled moral system. That is, Mandeville provides a new way of dealing with vice that excludes theological or moral preconceptions, rather underscoring the pro social or antisocial character of human passions.

⁹ Berkovski (2022) deepens into the meanings and significance of self-love and self-liking in Mandeville, and their interaction and effect on morality. Self-liking, in particular, is a relative feeling in that our self-esteem depends upon the appreciation of others. This is what makes this passion a cohesive, and, at the same time, a conflictive driver of social interactions.

These passions develop with society, without necessarily promoting violence. Given human physical fragility, Mandeville believes this natural individual is rather fearful (Fable i.205, 348), avoids others, is given to short spans of anger, and has a rather peaceful behavior (Fable i.205). It is in society that individuals become rivals. Only in society does self-liking become pride, and when the latter becomes the dominant passion, it gives way to envy, greed and ambition, taking the natural human being from her initial state of innocence. With the emergence of society, individuals acquire knowledge, which in turn increases their desires and appetites. However, human beings do not develop their abilities to provide for their own needs at the same pace as their desires and appetites. The disproportion between desires and abilities make this social individual angry and disappointed:

"and Man would in a little time become, the most hurtful and noxious Creature in the World, if let alone, whenever he could over-power his Adversary, if he had no Mischief to fear but from the Person that anger'd him" (Fable i.206).

However, Mandeville does not state that rivalry and anger lead to a permanent state of war. The existence of a punitive authority avoids war; the fear of punishment guarantees social peace (Fable i.206). That is, sociability is not natural. From a peaceful state of nature, where individuals are almost completely isolated, with no particular desire to enjoy another's company, human beings transit to a social state where self-liking flourishes, and so does envy and rivalry. The peaceful situation of the pre-social state is not due to a peaceful nature for, in this state, passions are powerful and they succeed each other in no particular order (Fable ii.199). It is a fragile equilibrium, with a potential source of conflict at all times.

But Mandeville does not explain the emergence of society through natural sociability or a radical transformation of human nature. Human beings remain much the same: fearful and proud, guided by their passions, especially by their self-love and their self-liking (Fable i.275, ii.214). Actually, the advantages they find in mutual aid in satisfying their needs, the interdependent they develop, lead them toward artificial sociability. In any case, a superior authority is essential to the emergence of society: a legislator is the key to the passage between the natural and the civil state (Hurtado 2004a).

3. The Emergence of Sociability

"Nature has design'd Man for Society, as she has made Grapes for Wine" (Fable ii.185).

This quote shows how human beings are destined to become sociable (Fable ii.177) even if they are not naturally sociable (Fable ii.188). Grapes are not wine but can be transformed into it, in the same way as individuals can form a society without being naturally sociable. The transformation is not due to a radical change in human nature, as it remains the same, but rather to a set of circumstances.

A particular element in human nature, a specific passion, pride (Fable i.124; ii.78) is at the same time the key to the emergence of society and the source of all its troubles (c.f. Douglass 2021). This strong passion is common to all animals, but it is even stronger in those that most approach perfection (Fable i.44, ii.79, 122). It is an essential part of human nature, and its power

increases over the most resolute and bold individuals (Fable i.45). This passion explains the desire to dominate (Fable ii.204), which, in the state of nature, expresses itself in parental authority. The development of the parents' knowledge and their increased reasoning support their authority; their children will accept it because it provides them with security and nourishment, and will be punished for disobedience (Fable ii.202). The fear of authority and the need to gather for protection and to take advantage of their common labor plant the seed of sociability in the human heart (Fable ii.231, 242, 251).

The danger that individuals represent for each other also plays an important role (Fable ii.266). Ambition and pride, and their display of superiority explain this threat. There is no love between human beings (Fable i.323-324, ii.178, 183, 253). Envy as an expression of self-love, a passion that makes people sad and makes them suffer with someone else's happiness (Fable i.134), reinforces the tendency to have a high opinion of one-self and to despise others. Selfliking makes human beings rivals, and makes community life risky and restless. However, they develop a desire to be with others for their own sake, hoping to feel better about themselves. Human self-esteem depends upon social interactions, and other's opinions. In society, individuals realize the advantages of being together: more access to goods, better material conditions, and the source of recognition and self-esteem. Social life increases their desires and the obstacles individuals must overcome to satisfy them (Fable i.344, 346) but it also increases their knowledge and their inventiveness (Fable i.366, ii.230). Ambition becomes an important part of social life, not only as a way to satisfy human desires but also in promoting the study of human nature in order to create more solid foundations for power (Fable ii.268). Through this study, human beings realize that controlling passions is the key to keeping power and maintaining society:

"Whoever would civilize Men, and establish them into a Body Politick, must be thoroughly acquainted with all the Passions and Appetites, Strength and Weaknesses of their Frame, and understand how to turn their greatest Frailties to the Advantage of the Publick" (Fable i.208; see also ii.268-321).

This is how human beings come to understand that they must become governable (Fable ii.184) for society to be viable as the true foundation of any society is government (Fable ii.183-4). Being governable

"implies an Endeavour to please, and a Willingness to exert ourselves in behalf of the Person that governs: (...) Therefore a Creature is then truly governable when, reconcil'd to Submission, it has learn'd to construe his Servitude to his own Advantage; and rests satisfy'd with the Account it finds for itself in the Labour it performs for others." (Fable ii.184).

With this knowledge, those in power will impose certain rules of conduct and punishments, they will create judges, and arbitrators; they will assure their power and guarantee social order. These institutions do not result from the discovery of natural laws or of a preestablished order. The figure of the legislator takes center stage (Hurtado 2004a); positive law (Fable ii.269), as its oeuvre, consolidates society through artificial harmony:

"a Body Politick, in which Man either subdued by Superior Force, or by Persuasion drawn from his Savage State, is become a Disciplin'd Creature that can find his own Ends in Labouring for others, and where under one Head or other Form of Government each Member is render'd Subservient to the Whole, and all of them by cunning Management are made to Act as one." (Fable i.347).

The knowledge behind this construction emphasizes the influence of passions on human actions, and, particularly, of pride, nourished by praise (Fable i.52). Praise increases pride, which in turn needs praise, and fears rejection or scorning. This constant feedback makes individuals governable because their pride makes them susceptible to shame, one of the main ingredients of sociability (Fable i.68), and the grounds for morality.

Education allows avoiding shame, and thus establishing general rules of conduct. Each one's self-interest, expressed in pride, makes it indispensable to learn how to avoid shame, and raise praise. Mandeville states how the so-called imperfections of human nature make individuals prime material for social life (Fable i.344, ii.64). The existence of a punitive authority and individual endless desires are the apparent foundations of social life.

Coming together human beings are able to satisfy their growing desires; material as well as non-material. The community provides each individual with new goods. The division of labor promotes the development of talents, and the goods each individual produces become a source of praise. Individuals are praised for their talents, and for their possessions, both expressed in goods produced for exchange. Not all individuals receive equal praise for their talents or possessions. An asymmetrical relationship emerges according to the wealth of each participant on the market. All participants have the same endless desires but their ability to fulfill them varies according to their wealth. This means that human beings do not relate to each other as equals. The laboring poor, in particular, are especially exposed to lack of praise, hence to unfulfilled pride, meaning they are probably less governable. Poverty and inequality are part of this asymmetrical interdependence system (cf. Picchio 2003: 17).

The division of labor is not an organization of production between independent producers; it is associated with a social hierarchy where each participant has her own place, and it is functional to this hierarchy. Lower classes depend on this division to guarantee their subsistence, and this dependence guarantees their constant effort, and reinforces their place. The society Mandeville describes is profoundly unequal, and it must be this way. Horne (1978: 70) explains this necessary inequality because the class of laboring poor, according to Mandeville, has no real ambition or desire to better their condition. Steiner (1992: 129) shares this view: self-interest does not explain the behavior of this class. Mandeville seems to suggest that the cause of this non-maximizing behavior lies in ignorance but his explanation rather points at the difference in motivations behind the behavior of the laboring poor. Ignorance appears as a consequence of the need to keep this mass of workers.

To guarantee a constant flow of workers and thus national production, wages must be kept at a subsistence level. This way, workers will be forced to spend what they earn, and they won't be able to save anything (Fable i.193, 248). The shocking point Mandeville makes is that pain, associated with labor and the possible lack of material resources, motivates workers, so a permanent threat of greater pain keeps the laboring poor motivated. Human beings tend to be lazy (Fable i.239), and only greed and pride make them work. But as the poor seem less prone

to these passions, only their needs keep them working (Fable i.194). According to Mandeville, the laboring poor stop working if they do not need to work to provide for their needs (Fable i.192-3, 287).

Mandeville's appalling depiction of the laboring poor does not end here. He considers educating the children of the poor as an unnecessary risk: it diminishes the time they could spend working (Fable i.288), and gives them the idea of a greater self-value, making them think of manual activities as below themselves (Fable i.289-90). Their education makes them aware of the misery of their situation, making their labor unbearable (Fable i.317). This ghastly description should be read in the context of a highly unequal society, with no real possibility of social mobility. It gives a sense of the meaning of a prosperous society for Mandeville; a society where wealth increases improving material conditions for all, but the mass of the people seem to profit much less from prosperity¹⁰.

Mandeville justifies this state of affairs in the name of public interest. The poor should be treated this way to guarantee the division of labor, and the provision of increasing goods. A mass of laboring poor is crucial for the well-being of society because their labor keeps pace with the increasing demands due to progress and civilization (Fable i.286, 311).

Technological change and innovation do not appear as a possibility even if it is feasible to track a cumulative process of accumulation and transmission of knowledge in Mandeville (Prendergast 2014). Innovation would be a process of technological creation (Dang 2016) that occurs in ordinary circumstances due to the accumulation of knowledge of ordinary people alert to market opportunities.

Through the division of labor individuals satisfy part of their needs, at least a greater part than they could by themselves, and specialization keeps a distance between them, diminishing sources of conflict. Production increases and, under the surveillance of authority, the growing number and intensity of social relations are less conflictive (Fable i.367).

4. The Invention of Honor and Shame

The control of potential conflict requires special knowledge from the legislator. As human beings have no natural tendency to community life and to submit to common rules of conduct, Mandeville advances that legislators must use other means than force to build a *body politick*. This is why they invented honor (Fable i.198). Honor shows human beings that it is unfitting for an honorable human being to satisfy the desires she has in common with beasts, and that following natural instincts amounts to renouncing to what makes human beings superior (Fable i.43). Honor is the opposite passion of shame, consequence of natural human pride (Fable ii.89). It is a composition of virtues that varies across time; without which people would become cruel bandits and cunning slaves (Fable i.218-9). Legislators may honor whom

[.]

¹⁰ Adam Smith, for one, presents a direct opposition to this doctrine of the utility of poverty. Smith directly links high wages with prosperity, because, among other things, "the liberal reward of labour" encourages "the industry of the common people" (Smith 1976 [1776], 91-99). Smith clearly states: "No society can surely be flourishing and happy, of which the far greater part of the members are poor and miserable. It is but equity, besides, that they who feed, cloath and lodge the whole body of the people, should have such a share of the produce of their own labour as to be themselves tolerably well fed, cloathed and lodged." (Ibid, 96).

they wish (Fable i.64), promoting desirable behaviors and granting those selected the recognition and admiration of the rest (Fable i.199):

"To define then the Reward of Glory in the amplest manner, the most that can be said of it, is, that it consists in a superlative Felicity which a Man, who is conscious of having perform'd a noble Action, enjoys in Self-love, whilst he is thinking on the Applause he expects of others" (Fable i.55; see also i.57 and ii.64-65).

The wise administration of passions guarantees social life, and makes individuals think reason dictates their behavior, when what really happens is that the passion for honor dominates other passions contrary to peaceful coexistence. Legislators learn this lesson and use it to preserve social order. They use flattery to convince individuals of their honorable nature, and of the superiority of the rationality of their souls (Fable i.43, ii.15). Flattery convinces individuals that their reason allows them to vanquish their instincts and accomplish the high destiny of human kind (Fable i.145). If individuals follow the rules legislators impose they enjoy honor, that is, the good opinion of others (Fable i.63); and if they don't they suffer shame, which Mandeville thinks "may be call'd a sorrowful Reflexion of their own Unworthiness, proceeding from the Apprehension that others either do, or might, if they knew all, deservedly despise us" (Fable i.64). Using honor and shame, and encouraging pride, legislators will increase fear of shame (Fable i.209, ii.66), and thus they will encourage desirable behaviors.

Legislators also use honor and shame to divide and separate individuals in two groups: "low minded" people, unable of any abnegation and interested only in their own well-being; and "high spirited" people motivated by public interest and the conquest of their own passions (Fable i.43-44). Honor is associated with the latter and shame with the former. This encourages imitating "high spirited" people, and imitation plays an important role in educating passions and keeping social order. A person's desire to escape the pain of shame makes her control her passions. Through control and abnegation, a person can be free of a pain that is greater than the pleasure of satisfying natural instincts. This pain is greater because of the influence of pride:

"The Reverse of Shame is Pride (...) yet no Body can be touch'd with the first, that never felt any thing of the latter; for what we have such an extraordinary Concern in what others think of us, can proceed form nothing but the vast Esteem we have for ourselves" (Fable i.67).

The pain of shame depends entirely on others' opinion, therefore the regard for this opinion is one of the central motivations of human behavior. Public opinion becomes the standard of right and wrong, and individuals do not dare go against it (Fable i.46). Those who oppose it encounter public contempt and social sanctions (Fable i.47, ii.78, 87). However, Mandeville emphasizes that opinion can be variable because it depends upon fashions and habits (Fable ii.95), meaning that the standards of right and wrong are also variable.

The pain associated with shame is completely imaginary; unbounded pride, product of self-liking, stimulates this pain (Fable ii.96). It can be avoided through the control of passions and the imitation of honorable behavior; its avoidance brings honor and admiration, associated with a greater pleasure. Individuals learn to calculate between passions, and therefore, it is these passions and not reason which really govern human behavior.

5. The Education of Passions

This calculation is tightly related with the education of passions, which, according to Mandeville, is nothing other than learning good manners, or, what is the same, learning to satisfy our own desires without hurting others' sensibility (Fable i.27, 77, 79-80, 235, ii.11, 125, 147). Good manners amount to learning rules of conduct: "The Rules I speak of consist in a dextrous Management of our selves, a stifling of our Appetites, and hiding the real Sentiments of our Hearts before others" (Fable i.68). This education is not an education for virtue (Fable i.79, ii.146); whereas the latter requires dominating and subjugating passions, the former, needed for social life, only requires concealing them, especially pride (Fable ii.122, 125, 141, 296).

Moreover, this education ensures that individuals contribute to social well-being without sacrificing their own pleasures:

"What I mean by this is to demonstrate, that by being well bred, we suffer no Abridgement in our sensual Pleasures, but only labour for our mutual Happiness, and assist each other in the luxurious Enjoyment of all worldly Comforts" (Fable i.73).

Emulating honorable behavior (Fable ii. 169-70), human beings learn to dissimulate their instincts (Fable i.68, 281), and achieve the education of their passions. In social interactions, people come to understand and adopt polite manners as general rules of conduct. Everyone follows these general rules of conduct because they know it is in their best interest, and because they know that everyone else follows them. Moral action is a coordination game where common knowledge guarantees the compliance with rules of conduct¹¹. Individuals coordinate their actions and behave alike because they have no interest in diverging and they anticipate others will also adopt such behavior. Through education and the action of legislators, children come to know and adopt the rules that dictate behavior.

This coordination process implies moral behavior is associated with individual calculations of interest. The education of passions corresponds to learning this calculation of the benefit of dissimulating certain passions in order to satisfy others. Honor and shame determine which are satisfied and which sacrificed. This calculus of passions makes individuals follow established rules of conduct allowing them to satisfy their passions without endangering social order.

This calculation, however, does not mean that reason guides human behavior: "For we are ever pushing our Reason which way soever we feel Passion to draw it, and Self-love pleads to all human Creatures for their different Views, still furnishing every individual with Arguments to justify their inclinations" (Fable i.333).

Mandeville denounces the manipulation associated with this calculation, and how morality is, finally, an invention of politicians:

¹¹ Scott-Taggart (1966, 173-4) considers that this behavior erases the difference between moral and prudent behavior because in a society with conflicting interests everyone encourages others to act morally and accept to act morally themselves.

"It being the Interest then of the very worst of them, more than any, to preach up Public-spiritedness, that they might reap the Fruits of the Labour and Sefldenial of others, and at the same time indulge their own Appetites with less disturbance, they agreed with the rest, to call every thing, which, without Regard to Publick, Man should commit to gratify any of his Appetites, VICE; if in that Action there cou'd be observed the least prospect, that it might either be injurious to any of Society, or ever render himself less serviceable to others: And to give the Name of VIRTUE to every Performance, by which Man, contrary to the impulse of Nature, should endeavor the Benefit of others, or the Conquest of his own Passions out of a Rational Ambition of being good" (Fable i.48-49; see also ii.109).

Mandeville, in a Jansenist vein¹², asserts that true virtue is the conquest of passions, abnegation and denial of self (Fable i.156), any other definition is an opening to hypocrisy (Fable i.331, ii.109). The Jansenist influence on Mandeville's thought can be traced in several features of his analysis. His starting question, the viability of a society made of selfish individuals that only follow their self-interest (Faccarello 1992: 156), the way he approaches this question through the exploration of passions as the sole guide of human behavior and reason as subservient to passions (Faccarello 1992: 162), and finally his attempt to bring to the fore the marks of self-love in every human action (Horne 1978: 162) are all evidence of this Jansenist influence. Nevertheless, he kept his distance relying on the positive view of interests and passions found in Dutch Republicanism (Verburg 2016). Instead of denouncing self-love, he presents the causes and consequences of this passion on behavior, that cannot be qualified as virtuous, but which characterize not only vicious individuals but also honest people (Viner 1991: 181).

Moreover, Mandeville asserts that most wise men seem mistaken in their definition of happiness. They have said, according to Mandeville, that there is no true happiness in material things; that only good people can be happy; that the greatest blessing is inner peace, and that wisdom, temperance, self-command and modesty are invaluable acquisitions (Fable i.151, ii.108). Nevertheless, this does not seem to agree with observation. For Mandeville this would mean that real happiness and virtue have little in common. Actually, true pleasures are earthly and sensual (Fable i.166).

Mandeville does not denounce self-love and its effects but rather the lack of coherence between actions and discourse. From a purely empirical position, Mandeville observes the opposition between the theory of virtue and its practice. This same position hinders Mandeville from taking a normative stand and proposing a new evaluation criterion of moral judgment; but he suggests it.

particular, through the De la Court brothers.

_

¹² Bayle and Nicole's influence over Mandeville has been largely discussed in the literature (cf. Kaye 1924, lxxxilxxxiii, ciii; Maxwell 1951, 249; Horne 1978, 22-23; Viner 1991, 180). This vein connects Mandeville with Augustinianism, but as Verburg (2016) shows this is part of the influences on Mandeville's thought. Verburg analyzes Mandeville's Dutch background, hence, Dutch republicanism as a major influence on Mandeville, in

6. A New Criterion of Evaluation of Human Action

"But Men are not to be judg'd by the Consequences that may succeed their Actions, but the Facts themselves, and the Motives which it shall appear they acted from" (Fable i.87).

This should be the basis for moral judgment. However, there seems to be a double standard. On the hand, each person is judged for the motivations of her actions, and, on the other, an action is judged for its consequences. Maxwell (1951: 242-52) sees in this dual criterion the separation between private and public morality. The first would be rigorist and the second utilitarian. And it is the second that legislators use to promote their primary concern: public wellbeing rather than individual virtue. This second criterion implies an overview beyond individual actions:

"The short-sighted Vulgar in the Chain of Causes seldom can see further than one Link; but those who can enlarge their View, and will give themselves the Leisure of gazing on the Prospect of concatenated Events, may, in a hundred Places, see Good spring up and pullulate from Evil, as naturally as Chickens do from Eggs" (Fable i.91).

This apparently provoking and controversial statement results from the separation between individual character and actions. The current criterion of evaluation of an action is not the same as that of individuals; the consequence of an action is not associated with the person that executes it (Fable i.244, 356). The thief that steals from the rich miser is condemned because this is what justice and the peace of society require. However, his action is beneficial for the whole of society because it puts into circulation money that the victim of the robbery was keeping to himself (Fable i.87). An industrious individual is motivated by ambition, avarice and the desire to better her condition (Fable i.244) but her profit-seeking attitude will benefit all society.

This double standard means: "that things are only Good and Evil in reference to something else, and according to the Light and Position they are placed in" (Fable i.367). Such a statement opens the path towards moral relativism, but this is a path Mandeville does not take¹³. He is aware of the implications of this position, and the possible contradiction with a seemingly rigorist stand, but he leaves an open choice. His great strength is precisely putting the contradiction between discourse and actions he sees around him on the spotlight. His originality lies in opening the possibility that follows from this situation: the source of virtue is the appreciation of the social consequences of individual actions (Lallement 1993: 22). As Dumont (1985: 83, 95, 102) advances, Mandeville shows the great contradiction of his times, which does not mean, contrary to what Dumont asserts, that his theory contradicts itself. Mandeville presents a rigorist view of virtue throughout his work and, at the same time, calls attention to the fact that this view is at odds with actual human behavior. He shows the way towards a new definition of virtue in line with a Utilitarian¹⁴ criterion but he does not subscribe to it.

this moral relativism to its last consequences. On Mandeville's cultural relativism see Luban (2015).

¹³ Chalk (1991 [1966]) considers, on the contrary, that Mandeville's success is precisely due to the fact that he took

7. Wealth, Luxury and Market Society

Mandeville demands moral coherence: accepting human nature as it is implies accepting market society with its advantages and shortcomings. For one, rich and poor enjoy in this society material conditions that could not even have been dreamed of before (Fable i.169; 358). Moreover, the poor live in a much better situation than in any other social organization. How is this possible? How can market society provide for the needs of all its members more efficiently than any other type of society? These questions bridge the distance between morals and wealth. The production of wealth is the consequence of the desire to better our condition, which can never be satisfied.

This desire is proper to social individuals and is the source of all technical and industrial developments made to provide for human needs (Fable ii.128, 181). Individuals born in society are sociable and well aware of the advantages of their social life. Each one of them loves her own comfort and security, and knowing their weaknesses and inability to satisfy their desires on their own, they seek the cooperation of their fellow:

"How to get these Services perform'd by others, when we have Occasion for them, is the grand and almost constant Sollicitude in Life of every individual Person. To expect, that others should serve us for nothing, is unreasonable; therefore all Commerce, that Men can have together, must be a continual bartering of one thing for another. The Seller, who transfers the Property of a Thing, has his own Interest as much at Heart as the Buyer, who purchases that Property; and, if you want or like a thing, the Owner of it, whatever Stock or Provision he may have of the same, or how greatly soever you may stand in need of it, will never part with it, but for a Consideration, which he likes better, than he does the thing you want" (Fable ii.349).

Exchange is the foundation of market society, and every exchange is made easier with the existence of money, solving the absence of a double coincidence problem (Fable ii.349). Money is an acceptable reward for all the services that individuals may render each other. It is one of those inventions that best fits human nature, buying every service and extinguishing debts (Fable ii.353). It can also buy honors, as wealth is honor for those who know how to use it (Fable ii.354).

Money plays a central role in market society because it enables merchandises to circulate, thus increasing wealth. By using money individuals can acquire those useful, desired and scarce goods that compose wealth; they can profit from their fellows' work, talents and self-interest using money. Individuals desire money because it enables consumption, and thus contributes to the satisfaction of the desire to better our condition. Encouraging the desire for money also encourages consumption and sociability.

Money becomes the social tie between individuals in a market society. A society without money is one in which each individual can only consume the product of her labor and where there are no visible marks of distinction between its members (Fable i.232). Such a society would be poor, unable to satisfy the growing desires of its members; a society condemned to disappear.

13

proximity of both authors considering Mandeville's claim for the need of a dexterous administration to transform private vices into public virtues (Hurtado 2004).

Market society has no need for virtue. Virtues such as honesty and temperance are incompatible with market society, and can only exist in a poor society (Fable i.245) where individuals are satisfied with little. In a society such as the commercial society, where esires are limitless, there is always a growing demand for new goods. These desires encourage production and push entrepreneurs, artisans and merchants, to employ more workers, provide for their families, pay taxes and live better. Their desire to improve their condition takes them in this direction.

"It may be said, that Virtue is made Friends with Vice, when industrious good People, who maintain their Families and bring up their Children handsomely, pay Taxes, and are several ways useful Members of the Society, get a Livelihood by something that chiefly depends on, or is very much, influenc'd by the Vices of others, without being themselves guilty of, or accessary to them, any otherwise than by way of Trade" (Fable i.85).

Trade gives the rich access to luxury goods. But Mandeville's definition of luxury is extreme:

"If every thing is to be Luxury (as in strictness it ought) that is not immediately necessary to make Man subsist as he is a living Creature, there is nothing else to be found in the World" (Fable i.107).

Even if he accepts this is a vague definition, Mandeville sees no way to limit it precisely (Fable i.107). Any other definition of luxury would include a subjective element that would render objectivity impossible. According to those who justify luxury, all they seek is to remain clean and agreeable to others. But these two adjectives vary according to each person and are different according to time and circumstances. Progress, states Mandeville, has made certain luxury items become indispensable (Fable i.169), showing how the definition of luxury has changed. Likewise, what each one considers a comfortable life also varies between individuals, times and places (Fable i.108, 248, 330).

This definition of luxury follows from infinite desires. Anything and everything that is invented will be someone's object of desire, and desire makes things necessary for those who desire them (Fable i.108). Therefore, this definition is universal; it makes no distinction between rich and poor, or consumption habits. It builds upon what is common to all individuals: their passions.

Such claim to universality explains Mandeville's rebuttal of Shaftesbury's system according to which it is absurd to qualify as vices the passions of certain individuals. Those who can indulge their passions, which Mandeville associates with luxury, ostentation and sensuality, are as vicious, or not, as anyone else. Mandeville questions the aristocratic character of Shaftesbury's theory (Fable i.331). As a representative of the *Beau Monde* (Fable ii.20), Shaftesbury holds, according to Mandeville, that virtue is a question of fashion:

"Virtue is however a very fashionable Word, and some of the most luxurious are extremely fond of the amiable sound; tho' they mean nothing by it, but a great Veneration for whatever is courtly and sublime, and an equal aversion to ever thing, that is vulgar or unbecoming. They seem to imagine, that it chiefly consists in a strict Compliance to the Rules of Politeness, and all the

Laws of Honour, that have any regard to the Respect that is due to themselves" (Fable ii.12).

This means that virtuous people are always rich; those who are familiar with the manners and customs of the world, and who have enough resources to avoid any dishonorable actions. Virtue would correspond to all that is beautiful and pleasant, and vice to all that is ugly and unpleasant (Fable ii.33, 36).

Mandeville finds this unacceptable. Vice and virtue are the same for all; and it is not because some have more means than others to satisfy their desires that they are less vicious. Behind this taste for superfluous things, there is a social reality that should not be forgotten: a mass of laboring poor.

In commercial society, luxury is possible and needed in order to ensure prosperity (Fable i.108-9). It is not then a question of vice or virtue. It is not enough to have fertile lands, a temperate climate, a moderate government, and more land than people; this will only make a nation of sincere, loving and honest people (Fable i.183). However, there will be no arts or sciences and its members will be poor and stupid (Fable i.183). It will all be a state of lazy easiness and stupid innocence, where there are no great vices to fear or magnificent virtues to praise (Fable i.184). For a society to become powerful and strong, the passions of its members are fundamental (Fable i.184). This is the whole point of Mandeville's poem. Private property will make individuals ambitious, honors will incite their pride and make them industrious, different employments and occupations will make them envious and push them to imitate the most efficient, their fear and their vanity will make them courageous and they will learn the art of commerce (Fable i.184).

A skillful administration of dexterous politicians will take advantage of all this and make commerce beneficial for society (Fable i.133). Commerce is the source of wealth (Fable i.116), and it depends for a great part on luxury (Fable i.124): "Great Wealth and Foreign Treasure will ever scorn to come among Men, unless you'll admit their inseparable Companions, Avarice and Luxury" (Fable i.185).

Pride is the cause of the consumption of luxury goods; thus, pride is commerce's greatest support (Fable i.126). When individuals have no close relation, they will judge each other according to their appearance. They always want to be admired, so they will do anything in their power to become admirable and the clearest, most visible, mark of distinction is wealth. The poor will try to imitate the rich (Fable i.129), and the rich will try to keep their distance and invent new signs of distinction (Fable i.165).

"To this Emulation and continual striving to out-do one another it is owing, that after so many various Shiftings and Changings of Modes, in trumping up new ones and renewing old ones, there is still a *plus ultra* left for the ingenious; it is this, or at least the consequence of it, that sets the Poor to Work, adds Spurs to Industry, and encourages the skilful Artificer to search after further Improvements" (Fable i.130).

Luxury items are the consequence of the development of human capacities, of ingenuity, creativity and intelligence. The improvement of these capacities allows individuals to enjoy more and better goods product of new techniques and increasing employment. The materialization of

pride in a commercial society is luxury and the production of luxury items is the basis of the division of labor and national prosperity.

"By all which I think I have proved what I design'd in this Remark on Luxury. First, That in one Sense ever Thing may be call'd so, and in another there is no such Thing. Secondly, That with a wise Administration all People may swim in as much Foreign Luxury as their Products can purchase, without being impoverish'd by it. And Lastly, That where Military Affairs are taken care of as they ought, and a wealthy Nation may live in all the Ease and Plenty imaginable" (Fable i.123).

8. Concluding Remarks

Mandeville confronts us with a choice: virtue or wealth. A rigorist moral stand is incompatible with commercial society (Scott-Taggart 1991[1966], 170; Viner 1991:180; Lallement 1993: 19, 21-23). His question could be rephrased thus: is all the wealth and prosperity associated with commercial society really worth the sacrifice of a certain idea of morality?

The choice appears explicitly in the third dialogue of the *Fable*:

"The Question is not, whether this is true, but whether it is eligible; (...) In like manner, my Friend [Mandeville] demonstrates in the first place, that the National Happiness which the Generality wish and pray for, is Wealth and Power, Glory and Worldly Greatness; to live in Ease, in Affluence and Splendour at Home, and to be fear'd, courted and esteem'd Abroad: In the second, that such Felicity is not to be attain'd without Avarice, Profuseness, Pride, Envy, Ambition and other Vices. The latter being made evident beyond Contradiction, the Question is not, whether it is true, but whether this Happiness is worth having at the Rate it is only to be had at, and whether any thing ought to be wish'd for, which a Nation cannot enjoy, unless the Generality of them are vicious" (Fable ii.106).

Does the happiness of a nation, its general well-being, justify tolerating individual vices? The terms of the question are clear, simple and direct. Mandeville believes the answer can only be found in a close observation and an objective study of human nature. The question, and therefore, the answer have nothing to do with what ought to be but with what is. Through a purely empirical method, Mandeville confronts us with the unrealism of a prescriptive and normative morality. According to Kaye (1924, cxxv):

"By juxtaposing together the utilitarian principles by which the world is inevitably controlled and the demands of a rigoristic ethics, and showing their irreconciliability, Mandeville achieved a laten *reduction ad absurdum* of the rigoristic point of view. But he never educed this *reduction ad absurdum*".

He does however give us some elements of response. An accurate description of human beings recognizes their desire for wealth, power, glory, strength and abundance. Their major concern is hence their material conditions. The question can no longer be about the salvation of their souls; it has to address the construction of a rich and powerful nation capable of providing those desired conditions of well-being.

Happiness does not lie in the pursuit of salvation, and wealth does not depend on individual virtues. Exchange appears as the foundation of social life tending to well-being. Exchange is only possible if there is a demand for goods and services. This demand expresses

desires that are consequence of passions. Controlling or denying these passions can only result in the annihilation of the market and thus in a complete stoppage of economic growth.

Commerce is not *doux*. It will not make humans better persons; it does not change the fundamental spring of human action: pride expressed in the desire to better our condition. It will not make them virtuous but, under a good administration, it will not encourage the growth of their vices and, at the same time, economic growth and prosperity.

References

- Chalk, A.F. (1991) [1966]. "Mandeville's Fable of the Bees: A Reappraisal" in *Southern Economic Journal*, 33:1, pp.1-16, reprinted in M. Blaug (ed.) *Preclassical Economists*, Volume III, *John Law (1671-1729) and Bernard Mandeville (1670-1733)*, Aldershot: Edward Elgar Publishing, pp.149-164.
- Berkovski, S., (2022). "Mandeville on self-liking, morality, and hypocrisy", *Intellectual History Review*, 32:1, pp.157-178.
- Dang, A-T. (2016). "Technological Change and Economic Dynamics from the Scottish Enlightenment to Contemporary Evolutionary Economics", *Journal of the History of Economic Thought*, 38:2, pp.211-228.
- Douglass, R., (2022). "Bernard Mandeville on the Use and Abuse of Hypocrisy", *Political Studies*, 70:2, pp.465-482.
- ————, (2021). "The dark side of recognition: Bernard Mandeville and the morality of pride", *British Journal for the History of Philosophy*, Ahead-of-Print, pp.1-17.
- Faccarello, G. (1992). "Les fondements de l'économie politique libérale : Pierre de Boisguilbert", in A. Béraud et G. Faccarello (dirs), *Nouvelle histoire de la pensée économique*. Volume 1: *Des scolastiques aux classiques*. Paris: La Découverte, pp. 154-175.
- Horne, Th. A. (1978). The Social Thought of Bernard Mandeville. Virtue and Commerce in Early Eighteenth Century England. New York: Columbia University Press.
- Hurtado, J. (2004). "Vicios privados, beneficios públicos" o la diestra administración de un legislador utilitarista" *Lecturas de Economía*, 61, pp.70-98.
- Lallement, J. (1993). "Économie politique et morale: l'héritage de Mandeville" in: Économies et Sociétés, Série OEconomie, Histoire de la pensée économique, 18:12, pp.11-31.
- Luban, D. (2015). "Bernard Mandeville as moralist and materialist", *History of European Ideas*, 41, pp.831-57.
- Mandeville, B. (1988). *The Fable of the Bees or Private Vices, Publick Benefits*, 2 vols. With a Commentary Critical, Historical, and Explanatory by F.B. Kaye, Indianapolis: Liberty Fund. Available at: http://oll.libertyfund.org/titles/1863.
- Maxwell, J.C. (1951). "Ethics and Politics in Mandeville", in: Philosophy, XXVI: 98, pp.242-252.
- Pendergast, R. (2014). "Knowledge, innovation and emulation in the evolutionary thought of Bernard Mandeville", *Cambridge Journal of Economics*, 38:1, pp.87-107.
- Picchio, A. (2003). "Needs and Passions of Human Subsistence in the Moral Economy of the Early 18th Century: Defoe and Mandeville", in: *History of Economic Ideas*, XI:2, pp.7-29.
- Scott-Taggart, M.J. (1966). "Mandeville: Cynic or Fool?", *Philosophical Quarterly*, 16:64, pp.221-231.

- Smith, A., (1976)[1776]. An Inquiry into the Nature and Causes of the Wealth of Nations, R.H. Campbell & A.S. Skinner general editors, Indianapolis: Liberty Fund.
- Steiner, Ph. (1992). "Marchands et princes. Les auteurs dites 'mercantilistes" In. A. Béraud and G. Faccarello (dirs.) *Nouvelle histoire de la pensée économique. Des scolastiques aux classiques.* Tome I. Paris: Éditions La Découverte, pp.95-140.
- Susato, R. (2020). "An 'Ingenious Moralist': Bernard Mandeville as a Precursor of Bentham", *Utilitas*, 32:3, pp.335-349.
- Tolonen, M. (2013). *Mandeville and Hume: Anatomists of Civil Society*. University of Oxford, Voltaire Foundation.
- Verburg, R., (2016). "The Dutch background of Bernard Mandeville's thought: escaping the Procrustean bed of neo-Augustinianism", *Erasmus Journal for Philosophy and Economics*, 9:1, pp.32-61.
- Viner, J. (1991). "Introduction to Bernard Mandeville A Letter to Dion (1723)" in D.A. Irwin (ed.), *Jacob Viner. Essays on the Intellectual History of Economics.* Princeton: Princeton University Press, pp.176-188.