

Necro-economics

Adam Smith and death in the life of the universal

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Louis Althusser began *Reading Capital* with the statement, 'We have all certainly read and are all reading [Marx's] *Capital*.' While Althusser is undoubtedly addressing here his seminar, the focus of which was precisely Marx's *Capital*, the sentence that follows elevates the act of reading this particular text to the status of the universal: the entire world has read and is reading *Capital*. Marx has been read for 'nearly a century' not only by 'us' (that is, all of us) but *for* us and *to* us even, and especially when we are not aware of it. And this paradox – that of our having read a text without knowing it – is made possible by the fact that *Capital*, Marx's theoretical work, is not limited to or contained by a book or set of books: 'we have been able to read it every day transparently in the dramas and dreams of our history, in its debates and conflicts.'¹ It is thus written in the history of the 'workers' movement' and therefore in the words and acts of its leaders and its partisans, as well as its adversaries, whose works represent both a commentary on and a continuation of Marx's text. Althusser insists, however, that the very universalization of *Capital*, the text, which undoubtedly occurs simultaneously with the universalization of the capital which is the object it seeks to analyse, renders a reading of Marx's words, 'to the letter', all the more urgent.

To take Althusser's position seriously today, forty years since he articulated it to his seminar, is to recognize that coextensive with, but distinct from, the theoretical imperative that requires us to read Marx 'to the letter' is the correlative necessity to read Adam Smith. For if the last forty years have shown us anything it is that we all have read and are still reading Smith, that he is read for us and to us far more than was ever the case with Marx and that his words shape our dreams and destinies especially when we cite them without knowing it, taking his words as our own. Smith is then the universal element within which our theory

and practice takes shape, within which what lives on in Marx's thought has its existence. This universality does not derive from the force of argument or empirical proof; the universality of Smith, a universality once contested and now reasserted, is immanent in a certain global balance of forces. Smith is the very idea of this now more or less stable balance of forces, the idea it has of itself.

How, then, is it possible to read Smith or to make sure that the Smith we read is not himself already a reading, Smith read for us rather than by us? Perhaps the best way, or even the only way, to begin to read him is to examine a reader in the act of reading Smith. I propose, then, to take as my starting point a reader who neither admits that he is reading Smith nor in his reading is particularly faithful to the text or texts he reads, but whose reading, by virtue of its singular force, opens a certain space for thought, making it possible to read Smith in a new way.

The virtue of greed

I will begin by following Hegel's reading of Smith, not where he explicitly refers to Smith in the discussion of the 'system of needs' in the *Philosophy of Right*, but in the *Phenomenology of Spirit* at the point where reason understands that its essence cannot exist in observation alone but only in its own actualization. Hegel argues that reason's actualization of itself necessarily takes the form of a community (*Gemeinschaft*), the universal community, not as an ideal or in a formal, juridical sense, but as a reality produced by concrete individuals. He is careful to note, however, that the universal is produced by individuals who not only do not labour with the aim of producing the universal community, but who, on the contrary, seek only to satisfy their own needs, even at the expense of others. It is at this precise point that Hegel invokes Smith, specifically

Smith's concept of the market, as the concrete form of the universal:

The *labor* of the individual for his own needs is just as much a satisfaction of the needs of others as of his own, and the satisfaction of his own needs he obtains only through the labor of others. As the individual in his *individual* work already unconsciously performs a universal work, so he again also produces the universal as his conscious object; the whole becomes, as *a whole*, his own work, for which he sacrifices himself and precisely in doing so receives back from it his own self.²

The reference to Smith here is clear. As he argues in the *Wealth of Nations*, an individual in 'a civilized society ... stands at all times in need of the cooperation and assistance of great multitudes'. And, despite the apparent qualification introduced by the phrase 'in a civilized society', Smith a few lines later posits cooperation as the necessary condition of human existence *per se*, going so far as to ascribe it to the natural condition of the species. The individual member of 'almost every other race of animals' is 'entirely independent and in its natural state has occasion for the assistance of no other living creature', while the human individual remains dependent and has for mere survival 'almost constant occasion for the help of his brethren'.³ Read from Hegel's perspective, then, society or community is not simply necessary for humanity's development and progress, it is necessary from the point of view of human life itself. The species cannot reproduce or survive in the absence of cooperation. The life of the individual, for Hegel, depends upon the 'life of a people' (*dem Leben eines Volks*) which furnishes 'the universal sustaining medium' necessary to human life. It is thus only the 'power of the whole people' (*die Macht des ganzen Volks*) that confers upon the individual sufficient power to exist. In the universal there is life; in the particular only death.⁴ The term 'people' should be understood here as a biological entity, the concrete form of the universal that arises in the course of the natural history of humanity and the irreducible foundation of life, human life, itself.

Yet if the cooperation necessary to the sustaining of life itself characterizes the life and power of a people, this cooperation itself must be explained, and it was precisely in explaining this cooperation that seventeenth- and eighteenth-century European philosophy divided into two opposing camps. Smith alludes to this division as he develops his analysis of the optimal form of cooperation. In particular, he is compelled to confront the argument that there exists in

the human individual a social instinct as powerful as self-interest that drives individuals to assist others in the satisfaction of their needs with the same urgency that impels them to satisfy their own. Here, Smith's discussion of Hutcheson's moral philosophy in *The Theory of Moral Sentiments* is particularly interesting. Because Hutcheson, following Shaftesbury and Butler, postulates the existence of what Smith calls an 'instinctive good-will',⁵ he is led to devalue those actions which originate from other motives, especially self-interested motives, so that, regardless of the effects of such actions, their self-interested origins deprive such actions of any consideration of benevolence. The latter becomes, in effect, the principle in relation to which even the mere attempt to secure one's survival – that is, the principle of self-preservation – is subject to moral condemnation. Significantly, Smith sees Mandeville, otherwise his predecessor in so many ways, as tending merely to invert the philosophy of benevolence. The 'fellow-feeling' or benevolent inclination that ought to reign over our sentiments is redefined as a base, nearly animalistic passion that the most hardened criminal feels, given that its involuntary, instinctual character can no more be described as virtuous than the supposedly selfish passions of greed and lust.

Further, greed ought to be judged by its effects rather than by its motives, and the effects of the mass of individuals acting at the behest of the passion of greed are far superior to the effects of self-denial and benevolence. Therefore lust and greed, if not virtuous in themselves, lead to the production not only of a prosperous world but a world which can be regarded as virtuous in so far as it will relieve the sufferings of the poor more effectively and to a far greater degree than any system of charity based on self-denial or asceticism. For Smith, the problem is that Mandeville refers to all self-interested actions as vices (even if 'private vices are public benefits'), a reduction that prevents him from distinguishing between the rational and laudable self-interest of a merchant seeking to maximize the return on his investment and the vicious behaviour of a common thief seeking to convey my property into his own possession. Smith does not regard the 'popular ascetic doctrines'⁶ to which Mandeville's system, as he read it, constituted a response as a serious threat to the prosperity of society. The social passions that he groups together under the label of benevolence are not even common enough to interfere with the degree of self-interest necessary to progress. The cooperation that constitutes the necessarily universal existence of human individuals derives from each seeking his own betterment at the expense of others. Precisely because

individuals believe that their actions will lead to their advantage, they act in such a way that will produce the very universality that they appear to deny. For Smith, this ‘veil of ignorance’ that prevents individuals from knowing the benevolent consequences of their self-interested actions is necessary to the design of the whole.⁷ As Seneca put it in *De Providentia*, a crucial text for Smith, the problem of evil in a world governed by providence is a problem of knowledge: ‘What seem to be evils are not actually such.’⁸ Thus, individuals are governed by self-interest that they may better serve their fellows by producing and exchanging as much as they possibly can. In the famous passage in *The Theory of Moral Sentiments*, Smith remarks of ‘the rich’ that

in spite of their natural selfishness and rapacity, though they mean only their own convenience, though the sole end which they propose from the labors of all the thousands whom they employ, be the gratification of their own vain and insatiable desires, they divide with the poor the produce of all their improvements. They are led by an invisible hand to make nearly the same distribution of the necessaries of life, which would have been made had the earth been divided into equal portions among all its inhabitants, and thus, without intending it, without knowing it, advance the interests of the society and afford means to the multiplication of the species.⁹

It is here, in relation to a passage that certainly furnished one of the major reference points for Hegel’s reading of Smith in the *Phenomenology*, that the precise effects of Hegel’s reading become clear. First, in Smith’s work, the discrepancy between the intentions and knowledge of individual actors and their actions on the one hand and the consequences of these actions on the other is, as we have seen, a necessary and permanent feature of society. It is in fact, as Smith himself clearly says in the lines following the passage from the *Theory of Moral Sentiments* cited above, the providential design of a society that is itself part of a universal Providence, neither a secular theodicy nor an economic theology but a continuation in the human world of the Providence that governs all things. Interestingly, Hegel, who does not reject providential thinking (even if by historicizing it he ends up positing an end that can only be perpetually deferred), cannot allow the dislocation between consciousness and action, between intention and consequence, to become functions of a stable system, the very principles of a social equilibrium. Instead, this dislocation marks the site of a contradiction that propels Smith’s system beyond itself, namely into the becoming con-

scious of universality, in which consciousness begins to undertake the work of its own rational actualization, not merely discovering and observing a world but making it. By rejecting the theodicy proper to Smith’s theory, Hegel allows us to see the essential role of the concept of theodicy, understood both as a natural and as a human system for Smith. For this concept alone will allow us to understand the emergence of another notion that otherwise would appear absent in Smith’s works, that of life itself.

From biopolitics to necropolitics

The importance of life as a political concept has been underscored in recent years, beginning with Foucault’s reflections on biopower, and continuing with such thinkers as Giorgio Agamben and Achille Mbembe. Of course, one might immediately object to the inclusion of Smith in the discussion invoked above. For this line of thought has defined itself as political, concerned with life in so far as it constitutes the object of sovereignty and government. Further, it might be argued that even if we can agree with Hegel that a certain concept of life is present in Smith, it is undoubtedly quite different from that imagined by contemporary theories of biopower, life prior to its capture by politics to the extent that human individuals must survive and reproduce in order then to be subjected or governed. Is it, then, life understood in its natural state, prior to its social existence; bodies as they must exist before they are directed, managed or even destroyed? Such a question might appear naive: after all, for the theoreticians named above is not life always already inscribed in the political? Has not Foucault in particular demonstrated the meticulous attention to detail characteristic of a biopolitics that leaves no aspect of life unexamined?

Agamben approaches these problems in *Homo Sacer* by referring to the distinction in Greek between *zoe* and *bios*. The former Agamben calls ‘bare life’, the life ‘common to all living beings (animals, men, or gods)’, whereas *bios* represents the form of life available to those who inhabit the polis, a political life specific to humanity by virtue of language. Thus the two senses of life in classical Greek serve not so much to distinguish the human from all other living things as to divide the human into two realms: the *bios*, or realm of the polis in which not simply living but the good life becomes possible, and *zoe*, the realm of the *oikos*, or household, the site of mere survival and procreation, that which is common to humans and all other living things. This distinction is crucial to Agamben’s argument: if, for a millennium, bare life remained (and indeed was placed) as an object of

reflection outside of the sphere of the political, ‘the decisive event of modernity’ was ‘the entry of zoe into the sphere of the polis – the politicization of bare life as such’. This transformation is nothing less than (and here Agamben cites Foucault) ‘a bestialization of man’ and (citing Arendt) a ‘decadence’ of modern societies brought about by the ‘primacy of natural life over political action’.¹⁰

‘Bestialization’ and ‘natural life’: these terms,



designed certainly to evoke the ‘dehumanization’ of individuals and groups in the face of genocide, may have another, quite different, function as well. The isolation of the human realm of the polis, the place of rational debate and deliberation, from the subhuman realm of the *oikos*, the site of production and reproduction, has the effect of separating what we would now call the realm of the political from the realm of the economic. Thus, the horrors of the modern world are those of a biopolitics in the service of sovereignty (to follow Agamben’s modification of Foucault’s historicism), defined as the power to decide the state of exception. It would appear, then, that the *oikos* is a stand-in for the economic which marks it as a pre-political backdrop that is simultaneously ‘natural’ and therefore outside of the sphere of human action (and, increasingly, that which must be allowed to exist free of human interference, like a delicate and exotic ecosystem) and ‘bestial’, a degraded realm in which what is specifically human disappears and the human becomes indistinguishable from the animal. We may well ask whether the bracketing of the economic in the current analyses of sovereign power does not constitute simultaneously the return of a repressed humanism (with its transcendence of mere nature and its hierarchization of life into the human, the subhuman and inevitably

the superhuman – so that those who degrade humans to the level of beasts are themselves beasts, with all that such a definition entails) and the placing out of bounds (and Arendt was absolutely explicit about this) the economic, a movement which renders unthinkable any relation between the economic and the political. This dissociation is often marked, as if producing a kind of surplus, by a denunciation of Marx, who has come to represent both the theoretical error of positing any sort of relation between the economic and the political and the horror of the reduction of the human to the animal said to have characterized the peculiar form of totalitarianism for which Marx was responsible.

Thus, Achille Mbembe, in his essay ‘Necropolitics’, takes Marx (who, according to his argument, belongs to the tradition of terror which culminates in colonial genocide and the Nazi state) to task for ‘conflating’ the mere ‘labour’ necessary ‘for the maintenance of human life’ and ‘work’, which transcends the ‘endless cycle of production and consumption’ through ‘the *creation* [emphasis added] of lasting artifacts that add to the world of things.’ On the one side mere work, necessary to bare life, its products destined for immediate consumption in order for life to continue; and on the other a creative, genuinely human activity undertaken freely outside of any necessity, natural or historical, and whose creations ‘last’ by virtue of their transcending the animal realm of bare life to which they precisely contribute nothing. Mbembe argues that the conflation of labour and work thus defined is determined by the fact Marx ‘blurs the all-important divisions among the man-made realm of freedom, the nature determined realm of necessity, and the contingent in history’.¹¹ Marx’s failure to distinguish between the realm of freedom and the natural realm of necessity within human existence, which therefore remains suspended between the man-made freedom of the polis and the ‘nature determined realm of necessity’ that characterizes the *oikos*, his refusal to differentiate between the political and the economic, has had devastating consequences for humanity. Because the economy, according to Mbembe, lies outside the effective sphere of human action, revolutions inspired by Marxism must try unsuccessfully to force unwilling populations to submit to their attempt to dominate the

sphere of economic relations, which is in fact part of the natural realm of necessity. Their very failure to impose man-made designs on nature results in their resorting to an act of will, namely terror, a fight to the death, to bring about the telos that their faith has instructed them surely awaits. But the critique of Marxism (which is otherwise perfectly banal and drawn from the ideological repertoire of Cold War liberalism) is important here only in so far as Marxism, for Mbembe, is one possible variant of the evolution of biopolitics into necropolitics, ‘politics as the work of death’, and sovereignty as consisting primarily of the right to kill. The figure of the modern Homo Sacer as understood by Agamben is found in its purest state in the Nazi death camps; Mbembe shows that the populations of European colonies had long been regarded as bare life whose destruction could not be thought of as murder.

I would argue that this line of thought, which moves from biopolitics to necropolitics and which poses Homo Sacer as a central figure of modern politics, is both provocative and productive. There is no question, however, of accepting or rejecting it as if the work of the late Foucault, Agamben and Mbembe constituted a unified body of propositions, and this heterogeneity is not simply the consequence of the different emphases and interests of the three authors named above. Instead, I want to ask a question, or set of questions, that is simultaneously posed and held in abeyance in this theoretical constellation. It is held in abeyance in so far

as these theoreticians insist on a dualism of life, the separation internal to humanity of human and animal functions, the separation of the polis and the *oikos*, the political and the economic, the man-made realm of freedom and the natural realm of necessity. If we can speak of a necropolitics, can we, and indeed must we, also, simultaneously, in one and the same gesture, speak of a necro-economics? Mbembe has implicitly contested Foucault’s description of biopolitics as the inverse

of the operation of sovereignty: while the latter brings death or permits life (*faire mourir et laisser vivre*), biopower operates by making live and letting die (*faire vivre et laisser mourir*).¹² Following Agamben in insisting on the coexistence of sovereign power

and biopower, Mbembe assigns modern politics a far more active relation to death, which indeed becomes its primary objective. The question of necro-economics compels us to return to the notion of ‘letting die’ or of ‘exposing to death’ and not simply death in battle. This should not be taken as an alternative to necropolitics as understood by Mbembe but, again as its complement, as if the two were one and the same process understood in different ways. To think this possibility, however, requires us to abandon the perspective of any dualism, a difficult task indeed, when we have been assured that the only alternatives to dualism are conflation, blurring and indistinction.

To proceed I will resume my reading of Hegel reading Smith, pausing only to note that this Hegel is far from and opposed to the Hegel invoked by Mbembe (which is, in fact, Hegel read by Kojève and therefore – as Althusser remarked¹³ – an existentialist Hegel in which the confrontation between consciousnesses takes place in the solitude of a state of nature). For Hegel, Smith’s rejection of any pre-social human existence, his declaring as necessary to mere life cooperation and therefore not simply the labour of dissociated individuals perhaps exchanging after the fact, but a certain minimal form of society and therefore politics, renders him a thinker of the immanence of the universal in human life by virtue of the necessarily collective labour which makes human life possible. He is therefore for Hegel the thinker of universality not in a juridical or moral sense but in so far as it is realized



in the production of life. The question we must now pose – for, despite the ritual denunciation of Hegel that one finds in so much theory today, it is not Hegel (or Marx) whose ‘central tenets’¹⁴ govern the world today but Adam Smith’s – is whether Hegel’s reading

of Smith is a tenable one. To put it in another way, is the market, understood globally, if not universally, that natural–human sphere of the production and reproduction of life, the life of a people, the life of people? As I argued earlier, Hegel could make Smith the thinker of the universal and of life only by depriving his system of its providential character, turning the unconsciousness of Smith’s producers into a temporary failure of knowledge that could only destabilize and call into question their relation to the world of their making, setting it on the course to that becoming other characteristic of the moments of Spirit’s long return to itself. If, to part company with Hegel, we allow Smith to think the global market as a theodicy that is itself part of a larger natural teleology that exceeds the grasp of the human intellect, what is the relation of the market to life (and, correlatively, to death)?

Killing and letting die

I will answer this question by returning to the famous passage from *The Theory of Moral Sentiments*, cited earlier, in which Smith sketches out the providential nature of the ‘distribution of the necessaries of life’:

[the rich] are led by an invisible hand to make nearly the same distribution of the necessaries of life, which would have been made, had the earth been divided into equal portions among its inhabitants and thus without intending it, without knowing it, advance the interests of the society, and afford means to the multiplication of the species. When Providence divided the earth among a few lordly masters, it neither forgot nor abandoned those who seem to be left out in the partition. These last too enjoy their share of all that it produces. In what constitutes the real happiness of human life, they are in no respect inferior to those who would seem so much above them. In ease of body and peace of mind all the different ranks of life are nearly upon a level, and the beggar, who suns himself by the side of a highway, possess that security which kings are fighting for.¹⁵

Jacob Viner has examined in some detail the function of the concepts of providence and theodicy in the history of economic thought in the seventeenth and eighteenth centuries, both as a model of a system that cannot fail and whose putative failures are nothing other than a failure of knowledge, and consequently as a justification of inequality, as an only apparent evil necessary to the (all too often invisible) moral function of the whole.¹⁶ While his observations are certainly pertinent to Smith, they do not exhaust the effects of the notion of theodicy on Smith’s conception of the market. It also serves to identify the market as

a meta-human realm which neither individuals nor collective entities can master or direct. In fact, it is constructed in such a way that evil, originally absent from the whole itself, arises only from human attempts to ‘interfere’ with the workings of a providential design whose magnitude escapes our knowledge or control. Providence, thus understood, is not a system of absolute determination, but a design or plan accessible to humanity through the exercise of reason and through the rational pursuit of self-interest, which we must choose to follow. Its perfection in no way inhibits individuals or whole societies from turning away from the only true way to reason and justice.

Hence, Smith’s own rather pronounced necropolitics, his interest in death, and the infliction of death not only by the state, but by the individual himself at the moment he understands he ‘is the just and proper object of the hatred and contempt of his fellow creatures’. For Smith, if society is naturally necessary to the sustaining of human life, ‘the dread of death, the great poison to the happiness, but the great restraint upon the injustice of mankind, which while it afflicts and mortifies the individual, guards and protects the society.’ Every man ‘in the race for wealth, and honors and preferments ... may run as hard as he can and strain every nerve and muscle, in order to outstrip all his competitors’; if he were, however, to ‘jostle or throw down any of them’ he would become the object of ‘hatred and indignation’ and as such liable to punishment. A necessary part, then, of collective production of life, a process driven by self-interest, is an awareness of the ever-present force of justice which takes, or ought to take, life with a machine-like regularity that will immediately attend to the excess of self-interest that leads an individual to step outside the realm of fair competition and engage in theft or fraud to acquire the possessions he desires. In fact, the sociability necessary to human existence is itself only possible through the constant example of the taking of the life of the individual judged guilty. Without this example before them, men ‘feel so little for another with whom they have no particular connection in comparison with what they feel for themselves’ that, in the absence of a terror of merited punishment, they would, ‘like wild beasts, be at all times ready to fly upon him; and a man would enter an assembly of men as he enters a den of lions’. Further, the desire to inflict capital punishment is simultaneously rational and rooted in the human passion for vengeance, a simultaneity which again expresses the working of providence: the production of life both requires and induces the exercise of the right to kill. Thus, ‘a man

of humanity ... applauds with ardor, and even with transport, the just retaliation which seems due' to crimes against the lives and properties of others. And if the transport one feels at an execution appears itself ignoble, we must understand that, like the passionate pursuit of self-interest, the instinct of self-preservation, it is the actually existing as opposed to ideal means nature has provided to achieve 'the end which she proposes'. This arrangement of means and ends is the surest sign that the 'oeconomy of nature is in this respect exactly of a piece with what it is upon many other occasions'.¹⁷

The phrase 'oeconomy of nature', which here marks the junction of the political and the economic, allows us to make the transition from Smith's necropolitics, his founding of life on death, of the production of life on the production of death, to his necro-economics. If societies, by virtue of the oeconomy of nature, must exercise, and not merely possess, the right to kill, the market, understood as the very form of human universality as life, must necessarily, at certain precise moments, 'let die'. In order to approach this question, we may turn to Smith's discussion in the *Wealth of Nations* of the precise means by which the world's rich, led by the invisible hand, distribute to the rest of the earth's inhabitants the 'necessaries of life'. Apart from the small sum that the world's beggars succeed in 'extorting' (Smith's term) from them, this distribution takes the form of the payment of wages. Here, and I refer to Chapter 8 of Part I of the *Wealth of Nations*, we no longer confront a world of autonomous individuals led by self-interest to truck, barter and exchange for their advantage, a theoretical framework which could easily accommodate the labour contract, understood as an exchange between individuals. Instead, Smith explains the antagonism that, in part, determines the rate of wages – that is, the extent of the distributions made by the world's rich – as collective in nature:

what are the common wages of labor, depends everywhere on the contract made between those parties, whose interests are by no means the same. The workmen desire to get as much as possible, the masters to give as little as possible. The former are disposed to combine in order to raise, the latter in order to lower the wages of labor.¹⁸

I will leave to the side the fact that the very notion of collective action invoked here poses a series of questions and problems that Smith does not, and perhaps cannot, address given the constraints of his theory. Suffice it to say, though, that the competing 'parties', a term that allows him to move freely between the individual and the collective, function exactly as individu-

als whose competition and opposition produce, without their knowledge or consent, a 'nearly' equal distribution of life's necessities. Appearances are indeed deceiving: the nature of the market is, of course, such that all the advantage in this contest between workmen and their masters lies with the latter. The workmen cannot quit, nor can they refrain from work in protest over wages for more than a few days. Their ability to maintain themselves, the very subsistence, depends on their earning a wage. The masters, in contrast, have sufficient stock in most cases to 'live a year or two' without employing labour. This advantage allows them 'to force the workmen into compliance with their terms'. And their terms are often not very favourable: Smith's masters 'are always and everywhere in a sort of tacit, but constant and uniform combination, not to raise the wages of labor above their actual rate'. Further, they will 'sometimes enter into particular combinations to sink the wages of labor below this rate'. The market appears, then, to have placed few, if any, limits on the ability of the masters to increase their profit simply by lowering the amount they expend on wages. The limit Smith does in fact set on the lowering of wages is the limit of the market itself: it is none other than the bare life of the workman, whose 'wages must at least be sufficient to maintain him ... at a rate consistent with common humanity' and even 'somewhat more; otherwise it would be impossible for him to bring up a family and the race of such workmen could not last beyond the first generation'. Such a postulate might seem to condemn the great majority in any society to a life of hard labour for their mere subsistence; in fact, it is the foundation for the only rational means to increase the rate of wages and thus improve their lives. A reduction of wages to the level of bare life paradoxically (dialectically?) allows the fund available for the payment of wages to accumulate to such an extent that the only outcome can be the employment of more hands.

When in any country the demand for those who live by wages; laborers, journeymen, servants of every kind is continually increasing; when every year furnishes employment for a greater number than had been employed the year before, the workman have no occasion to combine in order to raise their wages.¹⁹

Yet there exist certain societies, and Smith adduces examples only from the non-European world, where the nature of the 'laws and institutions' does not permit them to acquire greater wealth; societies he deems 'stationary' and incapable of growth, in which the downward limit on wages appears far more variable

that the phrase ‘consistent with common humanity’ would appear to suggest. For in China, as Smith imagines it, not even a high rate of infant mortality such as is consequent to the poverty of the Scottish Highlanders (where, he has heard, perhaps only two out of twenty children survive) will suffice to allocate wages to the degree necessary to maintain the labourer. Instead, even in the face of high infant mortality, the fact that many thousands of families subsist on such scant resources as ‘the carcass of a dead dog or cat, for example, though half putrid and stinking’, which is ‘as welcome to them as the most wholesome food is to people of other countries’, means that in order for the labourer to subsist, his children must be destroyed, ‘exposed in the street or drowned like puppies in the water’.²⁰ Here, the rigour of the market as a mechanism that adjusts the proportion of labourers to the fund available for wages by liberally distributing malnutrition to the social ranks whose numbers exceed their ability to obtain subsistence, thereby ‘destroying a great part of the children’ without any agent ‘intending it or knowing it’, must be supplemented by direct human agency.

Market death

The case of famine – and here Smith privileges eighteenth-century Bengal rather than late-seventeenth- and early-eighteenth-century France, where nearly 2 million French citizens perished in the famines of 1694 and 1708/9 – is perhaps even more instructive.²¹ ‘In a country where the funds destined for the maintenance of labor were sensibly decaying’ wages would be reduced ‘to the most miserable and scanty subsistence of the laborer’.²² It becomes clear at this point that the term ‘subsistence’, as denoting the ‘rate below which it seems impossible to reduce’ wages, has no fixed social or biological limit. A decaying wage fund lowers the demand for labour so far that the subsistence of the individual workman is no longer necessary, given the vast numbers of unemployed prepared to take the place of those fortunate enough to have found employment. The rest

would either starve or be driven to seek a subsistence either by begging or by the perpetration of the greatest enormities. Want famine and mortality would immediately prevail in that class, and from thence extend themselves to all the superior classes, till the number of inhabitants in the country was reduced to what could be easily maintained by the revenue and stock which remained in it.²³

If it appears that a kind of infallible rationality immanent in nature itself restores even by means of

mortality an equilibrium between workmen and the wage fund sufficient to guarantee the mere life of the labourer, such a ‘calamity’, as he calls it, can arise only as the consequence of ‘improper regulations’ and ‘injudicious restraints’ imposed by governments on trade. The market, if allowed to work without interference, will always and everywhere prevent what he calls dearth (shortages of food as a result of decline in production) from turning into famine. Smith’s theory of famine constitutes one of the most contested and debated sections of the *Wealth of Nations*, cited frequently by Amartya Sen,²⁴ among others, for its empirical and theoretical failings. While I have no quarrel with those who seek to refute Smith’s arguments, a task as important today as it has ever been, my aim here is to understand his discussion of famine, with all its theological overtones, as symptomatic of conflicts that animate his work as a whole.

At first glance, the position that ‘famine has never arisen from any other cause but the violence of government attempting, by improper means, to remedy the inconveniences of a dearth’, and its corollary that ‘the unlimited, unrestrained freedom of the corn trade ... is the only effectual means preventative of the miseries of a famine’,²⁵ appear so categorical as to be absurd, nothing more than a declaration of faith without any necessary connection to historical reality (Mike Davis’s *Late Victorian Holocausts* can be regarded as the definitive empirical refutation of this doctrine.) It is here, however, around the very question of famine and therefore of life itself – the point at which Smith can no longer continue to divide and subdivide subsistence so that we are no longer discussing individual lives of workmen and their families (or more specifically children), given that, as Smith has demonstrated, the life of the individual is no longer a reliable or useful unit of analysis, but the life of a population – that the stakes of Smith’s position become clear. The subsistence of a population may, and does in specific circumstances, require the death of a significant number of individuals: to be precise it requires that they be allowed to die so that others may live.

In particular, a qualitative distinction between dearth and famine – that is, between shortages that bring malnutrition, disease and a small increase in mortality, and larger, catastrophic increases in mortality causing significant decline in a population over a relatively brief period of time – appears increasingly questionable. Critics have focused on what appears to be no more than a leap of faith, an unquestioning belief in the providential hand of the market: where there exists

free commerce and communication, the scarcity occasioned by the most unfavourable seasons can never be so great as to produce a famine; and the scantiest crop, if managed with frugality and oeconomy, will maintain, through the year, the same number of people that are commonly fed in a more affluent manner by one of moderate plenty.²⁶

This has appeared as little more than a gesture of theoretical/historical denial, an attempt to explain away those famines (far more frequent after than before Smith) in which perfectly unhampered markets did nothing to prevent famine, and on the contrary seem to have exacerbated them. But it is possible to extract from the *Wealth of Nations* a more moderate and defensible position which is, however, no less grounded in an economic theodicy.

Without holding Smith to the argument that markets will maintain the same number of people in years of scarcity as in years of affluence (an argument that poses again all the problems of defining the verb 'maintain', the limit of which, as we have seen, is pushed from subsistence to sub-subsistence), we can nevertheless credit him with the position that the market is a more rational mechanism for managing dearth than any other available alternative, and that if indeed dearth declines into famine, the mortality rate, however great, must necessarily be less than it otherwise would have been. And once again this rationality is not the consequence of the will or knowledge of those individuals who are its bearers, nor does its distribution of food in times of scarcity (whether absolute or relative) depend upon the benevolence of those concerned. On the contrary, it is precisely the grain merchant's seeking the greatest profit he can realize without the slightest intention of allaying the hunger of others that will lead him to carry out that distribution and, more importantly, do so in a way that will protect the hungry from their own improvident and irrational impulses.

Left to their own devices, those threatened with starvation and moved by the pangs of hunger will consume the available food supply 'so fast as must necessarily produce a famine before the end of the season'. Indeed, any misguided attempt on the part of a government to regulate prices in order to increase access to food will inevitably produce such a result. Merchants who raise prices in the face of rising demand are not only right to do so from the point of view of their self-interest ('it is in years of scarcity, when prices are high, that the corn merchant expects to make his principal profit'), but the unintended effect of their profit is the disciplining of the hungry by the market itself, which distributes to

them only the meagre portion that their falling wages will procure. Smith addresses the possible objection that merchants will withhold or hoard supplies in order precisely to drive up prices and increase profits, thus actively preventing food from being purchased by those who most need it and thereby contributing to, if not actually causing, famine. The merchant, he tells us, must exactly calibrate price to supply, so that, if he raises his prices without warrant, or holds back his product when no real scarcity exists, he will be ruined by those who undersell him or rush to fill the vacuum. He 'hurts himself much more than he can hurt the particular people whom he may hinder from supplying themselves'. In opposition, 'if he judges right, instead of hurting the great body of people, he renders them a most important service.'²⁷

For whatever difficulties the 'inconveniences of a dearth' cause those who are by high prices prevented from consuming as much as they want or need, these inconveniences are not nearly as severe as those they might feel were they allowed to consume as they like. Again, to give Smith his due, the 'inconveniences of dearth' may not be restricted to the pangs of hunger and the effects of malnutrition; nothing excludes a greater than normal mortality rate. His point is merely that the market is the best of all possible forms of supply and that, truth be told, it rations not simply food, but life itself, allowing the greatest possible survival rate in a given circumstance. Nothing in Smith's own argument compels us to follow him in his leap of faith and hold that the market will maintain the same number of people in times of scarcity as in times of plenty. But even if there are those who perish slowly from malnutrition and the disease that accompanies it, or from starvation, but over a longer period of time than one might see in a catastrophic famine in which millions may perish in a few months (as in the case of Bengal in 1770), we will be secure that the rationing by the market of food precisely because it is not the effect of any human design will proceed in the most reasonable manner possible.

Yet, as his numerous critics have shown, the rationality of the market during times of scarcity resides, for Smith, solely in the determination of price. If steep rises in prices are accompanied, as they often are, by falling wages and widescale unemployment, the market no longer rations food to the otherwise avaricious and short-sighted consumer, but precisely places it out of reach, or diverts it elsewhere where the fund of wages is growing and greater profits are to be made. Although Smith does not consider this objection in his discussion of dearth and famine, he offers the

elements of a response in the discussion of wages in Chapter 7 discussed earlier. There, where ‘the funds destined for the maintenance of the laboring poor are fast decaying’, the equilibrium of the market not only can but will by a necessity greater than the market itself be achieved by a ‘reduction’ of the ‘number of inhabitants to what can easily be maintained by the revenue and stock which remained in it’.²⁸ The instruments of this reduction are ‘want and famine’, and the form it takes mortality. And thus Smith can say with Seneca that ‘what is evil only appears as such’. Death establishes the conditions of life; death as by an invisible hand restores the market to what it must be to support life. Smith, perhaps understandably, drew back from the conclusion that any form of famine relief – not simply an attempt to lower prices, but perhaps even more importantly any attempt at a mass distribution of food by the state, drawing from public granaries without cost to the penniless (as was the case in eighteenth-century China, which avoided famines not only on the scale of Bengal but even on the scale of early-eighteenth-century France) – could only dissuade merchants from engaging in so precarious a trade. Such efforts would lead to a decrease in the production and supply of food and not only postpone but aggravate the inevitable day of reckoning.

Thus, we seem to have arrived at a reading of Smith more Hegelian than that of Hegel himself; Smith postulates an equilibrium or harmony productive of life that is paradoxically created and maintained by the power of the negative, of death: that the allowing of death is necessary to the production of the life of the universal. Smith’s economics is a necro-economics. The market reduces and rations life; it not only allows death, it demands that death be allowed by the sovereign power, as well as by those who suffer it. In other words it demands and requires that the latter allow themselves to die. From this we must conclude that underneath the appearance of a system whose intricate harmony might be appreciated as a kind of austere and awful beauty, a self-regulating system, not the ideal perhaps, but the best of all possible systems, is the demand that some must allow themselves to die. This of course raises the possibility that those so called upon will refuse this demand – that is, that they will refuse to allow themselves to die. It is at this point that the state, which might appear to have no other relation to the market than one of a contemplative acquiescence, is called into action: those who refuse to allow themselves to die must be compelled by force to do so. This force, then, while external to the market, is necessary to its existence and function. This, to

borrow a phrase from Carl Schmitt, is the moment of decision which makes possible the very systemacity of the market system.

Let us begin not with the extreme cases of dearth or famine, but merely with the case of a reduction in the workmen’s wages (and therefore a reduction in their subsistence forced on them by their masters). As Smith notes, a reduction in wages can be of such magnitude that it is ‘severely felt’ by wage earners, whose ability to purchase ‘provisions’ is significantly compromised. In the face of the masters seeking to increase their profit in this particular manner, the workmen may ‘yield, as they sometimes do, without resistance’.²⁹ In fact, their unwillingness to resist even a severe reduction in their level of subsistence may derive from their acute awareness of the competition for work characteristic of a specific market. Their lack of resistance may also be determined by a recognition of the natural advantage of the masters discussed earlier, that is, their ability to outlast the workmen thanks to the stock they possess.

Yet market forces alone, for reasons Smith treats only elliptically, are ‘frequently’ insufficient to prevent the resistance of workmen. They often respond to a wage reduction by ‘a defensive combination’ which is ‘always abundantly heard of ... they have always recourse to the loudest clamor and sometimes to the most shocking violence and outrage.’ Smith explains such behaviour with disarming honesty: ‘They are desperate and act with the folly and extravagance of desperate men who must either starve, or frighten their master into an immediate compliance with their demands.’³⁰

In such a situation, when market forces alone do not protect the masters from the indignation of those faced with starvation (which, as recent theoreticians have reminded us, does not automatically or immediately lead to death), the civil magistrate must intervene by rigorously enforcing the laws against the combination of workmen. The threat of ‘punishment or ruin’ will thereby break their resistance and allow the market to protect them as it will. Smith, so willing elsewhere to pass judgement on laws that he finds inefficient or unjust, is strangely silent on the matter of anti-combination laws that form an unalterable backdrop to the struggles he describes. They seem unjust, in that they prohibit only the combination of workmen, but the injustice, from the point of view of Smith’s system, is only apparent: in reality, they free the market to reward the workmen to the greatest extent possible while protecting them from the effects of their own avarice and short-sightedness.

The case of grain merchants, ‘dealers in corn’, whose product, unlike that of pin makers, is necessary to the mere survival of a population, is one to which Smith devotes a great deal of attention. The peculiarities of the trade mean that the corn merchant not only ‘deserves the full protection of the law’ but in fact requires it. Their role as provisioners of the nation exposes them ‘to popular odium. . . . In years of scarcity, the inferior ranks of the people impute their distress to the corn merchant who becomes the object of their hatred and indignation.’ The rationing of grain, which the merchant’s search for profits effects, is represented in the popular imagination as ‘engrossing and forestalling’ (that is, as hoarding and price speculation), a representation which, Smith argues, ‘may be compared to the popular terrors and suspicions of witchcraft’, the victims of which were ‘not more innocent of the misfortunes imputed to them’.³¹ The ‘imaginary crime’ imputed to corn merchants, however comparable to that of the unfortunates accused of witchcraft, is far more severely punished. Such punishment may take the form of a government moved by ‘popular odium’ and the threat of disorder to order the merchants to sell their stock at lower prices than the market would otherwise permit. The effect of such an improvident act is to allow the inferior ranks of society the immediate gratification they demand, while in fact exposing them to the famine that their immoderate consumption of all available grain will in a short time bring about. It is as if the bodies of the poor undergo such transformations in times of shortfall that they are able to consume far more food than they can during times of plenty.

Yet far more menacing is the danger that the merchant will be ‘utterly ruined and . . . his magazines plundered and destroyed’ by mobs driven by ‘hatred and indignation’.³² The inferior ranks of society do not, and indeed cannot be expected to, understand that their distress, even their destitution and slow starvation, are necessary and that with the market’s rationing of food must inevitably follow a rationing of life itself, an allowing of some to die, so that others, a majority perhaps, may live. The mob, faced not with absolute scarcity – that is, with the demonstrated absence of food at any price – but with a relative scarcity in which enough food exists to feed an entire population, though which, by virtue of price, lies beyond their means, may refuse mortality or even slow starvation and simply seize the stores themselves. It is here that the sovereign power must intervene, not necessarily to kill those who refuse to die, but to ensure, through the use of force, that they

will be exposed to death and compelled to accept the rationing of life by the market.

Thus alongside the figure of Homo Sacer, the one who may be killed with impunity, is another figure, one whose death is no doubt less spectacular than the first and is the object of no memorial or commemoration: he who with impunity may be allowed to die, slowly or quickly, in the name of the rationality and equilibrium of the market.

Notes

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3. Adam Smith, *An Inquiry into the Nature and Causes of the Wealth of Nations*, 2 vols, Liberty Fund, Indianapolis, 1981, vol. 1, pp. 26, 25.
4. Hegel, *Phenomenology*, p. 213.
5. Adam Smith, *The Theory of Moral Sentiments*, Liberty Fund, Indianapolis, 1986, p. 301.
6. *Ibid.*, p. 313.
7. See the commentary of Michel Foucault, *Naissance de la Biopolitique: Cours aux Collège de France, 1978–1979*, Gallimard, Paris, 2005, pp. 282–90.
8. Seneca, *The Stoic Philosophy of Seneca: Essays and Letters*, Norton, New York 1958, p. 32.
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10. Giorgio Agamben, *Homo Sacer: Sovereign Power and Bare Life*, Stanford University Press, Stanford, 1998, pp. 3–4.
11. Achille Mbembe, ‘Necropolitics’, *Public Culture*, vol. 15, no. 1, 2003, pp. 19–20.
12. Michel Foucault, *The History of Sexuality: An Introduction*, Vintage, New York, 1978, p. 136.
13. Louis Althusser, ‘L’homme, cette nuit’, in *Écrits philosophiques et politiques*, vol. 1, pp. 239–42.
14. Mbembe, ‘Necropolitics’, p. 20.
15. Smith, *Theory of Moral Sentiments*, pp. 184–5.
16. Jacob Viner, *The Role of Providence in the Social Order*, American Philosophical Society, Philadelphia, 1972.
17. Smith, *Theory of Moral Sentiments*, pp. 84, 83, 86, 90, 77.
18. Smith, *Wealth of Nations*, p. 83.
19. *Ibid.*, pp. 83–6.
20. *Ibid.*, p. 90.
21. For a discussion of the French famines, see Cormac Ó Gráda, ‘Markets and Famine in Pre-industrial Europe’, *Journal of Interdisciplinary History*, vol. 36, no. 2, Autumn 2005, pp. 143–6.
22. Smith, *Wealth of Nations*, pp. 90–91.
23. *Ibid.*, p. 91.
24. Amartya Sen, *Poverty and Famine: An Essay on Entitlement and Deprivation*, Oxford University Press, Oxford, 1981.
25. Smith, *Wealth of Nations*, pp. 526–7.
26. *Ibid.*, p. 526.
27. *Ibid.*, pp. 527, 533.
28. *Ibid.*, p. 91.
29. *Ibid.*, p. 84.
30. *Ibid.*, p. 84, 85.
31. *Ibid.*, pp. 527, 534.
32. *Ibid.*, p. 527.