An Age of Risk: Politics and Economy in Early Modern Britain

Review Number: 2085

Publish date: Thursday, 30 March, 2017

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ISBN: 9781400883011

Date of Publication: 2016

Price: £32.95

Pages: 208pp.

Publisher: Princeton University Press

Publisher url: <http://press.princeton.edu/titles/10891.html>

Place of Publication: Princeton, NJ

Reviewer: Aidan Beatty

There has been a wave of books published on economic history and business history since 2008. Clearly affected by the seemingly open-ended crisis of neoliberalism and financial capitalism, works such as *Freaks of Fortune* by Jonathan Levy, *Capital in the 21st Century* by Thomas Piketty or Steve Fraser's *The Age of Acquiescence* have marked a return to questions of wealth inequality, the pro-business biases of government, and capitalist ideology in the history of modernity. Emily Nacol's *An Age of Risk* – a quartet of chapters on the role of risk in the work of Hobbes, Locke, Hume, and Adam Smith – is an interesting compliment to this new historiography of business and capitalism. This is also a book that echoes some recent thematic studies of political thought, such as Corey Robin's *Fear: The History of a Political Idea*.

'Risk' arrived in the English language in the 17th century, around the same time as it popped up in other west European languages. Its first listing in the 1661 Oxford dictionary defined it as a noun connoting 'peril, jeopardy, danger, hazard, chance' (p. 2). Originally a technical term used by early modern insurance companies, it soon transmogrified into a descriptor of the experience of living within a risky present tense as well as the sense of living in the midst of an unknowable and potentially dangerous future. In other words, the economic history of the rise of capitalism is simultaneously paralleled by a linguistic history, a history of ideas and a cultural history; a new terminology entered the lexicon to describe this new capitalist ontology of risk and chance. As Nacol states as the very outset: 'The ubiquity and permanence of risk in our contemporary relations with each other and with nature make it hard to imagine that anyone has ever lived without it. But human beings once did, and thus the idea of risk has an origin and a history' (p. 1). And her book is a study of how this new category of risk played a determining role in four of the most important thinkers of early modern Britain (though the inherently capitalist nature of this history is never quite made explicit).

Nacol begins with Thomas Hobbes; his *Leviathan* is at the fore of her analysis. In the 13th chapter of his masterwork, having just delineated the 'natural condition of mankind', Hobbes describes a seemingly banal example of risk of everyday life; the tendency of men to take precautionary actions that preclude the danger of attacks to their person and property. Men arm themselves when traveling, they lock their doors at night, they keep their treasures in secure chests. For Hobbes, life in an improperly ruled commonwealth is fraught with risk and he assumes his readers agree with this 'commonsensical' thinking (pp. 9–10). Nacol proceeds

to show how this thinking pervades Hobbes' lesser known works; *Behemoth*, his history of the English Civil War, his 1640 *Elements of Law* and his 1629 translation of Thucydides' *History of the Peloponnesian War*. This is all leading to Hobbes' development of a 'Political theory of risk', as Nacol telegraphs in the title of her Hobbesian chapter. Hobbes' fashioning of what would later be called political science is an attempt to forego political risk, with the looming and absolutist figure of the Sovereign supposedly serving to erase risk from the body-politic. Though as Nacol shows, it doesn't quite work (p. 36). Risk cannot be avoided. Locke, Hume and Smith, she argues, were less far-reaching, accepting risk as an unavoidable part of society and thus they theorized how one deals with it, rather than attempting to purge it.

Locke saw risk as an inherent part of any political project. The move from a state of nature to a state of society was, according to Locke, an attempt to escape an essentially arbitrary and dangerous existence. Yet even then, living in civil society creates the danger of arbitrary and oppressive rule by a self-interested sovereign. Per Nacol's reading, Locke understood the sovereign's rule via the metaphor of a fiduciary trust (p. 47). Citizens entrust the Sovereign with protecting their properties. They trust that he will not abuse his authority but must remain alert to the possibility that he may do precisely that. Their right of resistance can bypass this risk, yet such rebellions and revolutions carry their own risks. Locke was clearly cognizant that the very move to avoid risk creates new risks. Risk was a pervasive and inescapable problem. And indeed, while Nacol primarily focuses on Locke's *Second Treatise on Government*, she also shows how riskiness pervades seemingly non-political texts like his *Essay Concerning Human Understanding*, which was 'a serious warning to readers not to take too much knowledge on trust, but instead to scrutinize carefully what they think they know' (p. 41).

As Nacol moves to Hume, the proceedings become a lot more economic; risk in a commercial sense rather than the risks incurred by political action. Hume saw risk as necessary element in trade but was also open about the difficulties of living with this constant uncertainty and unpredictability. Hume continued in the tradition of Locke – in terms of his focus on questions of epistemology and how much we can truly be sure we know – as well as Hobbes and his attempt to craft a social science to address the inherent riskiness of politics. Through Hume was far more pessimistic about the possibilities of avoiding all risk (p. 87); his conclusion being that full knowledge about the economy or politics is impossible. Risk remains.

By the time Nacol arrives at Adam Smith, commercial risk has become the centrepiece. Her discussion is mainly drawn from *Wealth of Nations*, unsurprisingly, and takes risk-prone entrepreneurs as the main focus. As with Hume, Smith saw risk as unavoidable, potentially a source of wealth, but also a cause of instability. By Nacol's lights, Smith's famous 1776 work was an attempt to negotiate (if never fully reconcile) the microeconomic question of entrepreneurs' necessary risks with the macroeconomic problems that risk causes for the stable functioning of an economy.

The focus remains on the textual throughout and Nacol is clearly adept at interpreting her four interlocutors; Hume, for instance, did not talk explicitly about 'risk' (p. 96), but as *An Age of Risk* shows, an implicit concern over risk still animated his writings in profoundly important ways. Yet, while there would seem to be much contemporaneous history of relevance to her subject matter, Nacol generally avoids this. She gives much space to Hobbes' views of the past and future, for instance, but generally ignores his own present; the events of 1648–9, so pregnant with political risks, are only cursorily mentioned. Nor does she incorporate broader, harder to pinpoint factors – capitalism, Weberian disenchantment, the rise of modern science – which presumably also fed into a sense of risk and an uncertain future. Though sometimes contemporary history slips through; with Locke and Hume, she does allude more to contemporary developments. Given that she makes large claims about risk and a sense of economic and political anxiety in early modern Britain, a move beyond the textual to the social world surely have aided her. At the end, Nacol discusses developments in the 19th century and how we are still haunted today by a 'culture of anxiety' (p. 126). What happens after Adam Smith in the intellectual history of risk clearly matters for her and her book prompts us to think about what additional chapters in her story would look like? Presumably Karl Marx, John Maynard Keynes and Hyman Minsky – all of whom were keen students of the inherent riskiness of capitalist societies – would be key characters in a sequel. Likewise, Jonathan Levy's *Freaks of Fortune*, a study of risk in

Reconstruction-era America, is another worthwhile point of comparison.

Historiographical gaps aside, Nacol has provided a well-versed and coherent intellectual genealogy of risk and of the social experience of living with risk. *An Age of Risk* is a book that deserves serious attention.

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