Thinkers on
Political Economy

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Introduction

Suyash Rai

The study of political economy goes back to ancient times. One can find interesting discussions on the topic by authors such as Aristotle and Chanakya. While much of the important theory-building and empirical research on political economy is undertaken by research programs to which many researchers and thinkers contribute over long periods of time, there are a few individual thinkers and practitioners who have made their mark due to the originality of their thought and the depth of their insight. The Ideas and Institutions newsletter occasionally publishes essays on such thinkers, usually including reviews of books on or by them. This compendium presents eight such essays on Madhava Rao, Elinor and Vincent Ostrom, Edmund Burke, Adam Smith, Albert Hirschman, John Rawls, Robert Bates, and Michèle Lamont.

The first essay is a review of The Progressive Maharaja: Sir Madhava Rao’s Hints on the Art and Science of Government, in which political philosopher and historian Rahul Sagar has reintroduced a text. It is a series of lectures that the then dewan of Baroda, Raja Sir Tanjore Madhava Rao, delivered in 1881 to prince Sayaji Rao Gaekwad. They were intended to prepare the prince for his ascendance to the native state’s throne and provide a distillation of Rao’s experiences in government as well as his vast readings on governance. The essay considers Rao’s ideas in his context as well as the present one.

The second essay, written to mark three hundred years since Adam Smith’s birth, presents some of the key ideas from his masterpieces: The Theory of Moral Sentiments and The Wealth of Nations. The former is a work of moral philosophy and social psychology, and the latter is a work on political economy and economics. The essay seeks to derive the essence of these works and to understand what binds together Smith’s work in terms of his approach to the development of ideas and his philosophical commitments.
The third essay is a review of *Commerce and Manners in Edmund Burke's Political Economy* by Gregory M. Collins. The book is probably the first comprehensive treatment of Burke’s thoughts on political economy. It shows how well Burke understood the power of modern industry and the market economy, thus advocating for harnessing these forces for material improvements. The book also shows that he called for moral and political limits on this power.

The fourth essay is a review of Robert Bates’s *The Political Economy of Development: A Game Theoretic Approach*. The book offers a careful buildup of Bates’s theory of development, which he and his co-authors have developed over almost half a century of work using methods from game theory. The review provides a summary of Bates’s book and contextualizes it with other works on political economy.

The fifth essay is a review of Michele Alacevich’s intellectual biography of Albert Hirschman. It explores the profound impact of Hirschman’s ideas on the social sciences, highlighting his unique approach to understanding collective action, development, and social change. The biography traces Hirschman’s life, starting with his early years in a cosmopolitan and intellectually rigorous environment. It spans his experiences in the Spanish Civil War, his efforts to aid Jewish and leftist refugees during World War II, his influential work in development economics, and his critique of comprehensive planning. Hirschman’s skepticism of simple ideologies, his openness to revising ideas, and his commitment to democratic dialogue and reform are highlighted as key aspects of his intellectual legacy. His approach to social conflicts, emphasizing the potential for compromise and community spirit in pluralistic societies, and his critique of the role of intellectuals in facilitating authoritarian regimes are discussed as well. The biography also foregrounds Hirschman’s ability to see and synthesize important omissions in dominant social theories and his advocation of a more complex and context-specific understanding of social phenomena. Hirschman’s “possibilism” and his emphasis on imagination and choice in the face of indeterminacy are presented as central to his thought. The review also touches on Hirschman’s methodological preferences, such as his use of case studies and his focus on the development of ideas from within rather than through the influence of external factors.

The sixth essay is a review of an edited volume by political economists Jayme Lemke and Vlad Tarko, titled *Elinor Ostrom and the Bloomington School: Building a New Approach to Policy and the Social Sciences*. It includes papers that review the scholarship of Elinor and Vincent Ostrom and their long-running workshop on political theory and policy analysis at Indiana University Bloomington. The workshop addressed several key themes that became salient with the rise of democracy: local liberty, equality of conditions, self-interest rightly understood, civic associations, the role of religion in democracies, centralization, and administration. The review summarizes some of the key insights from this book and reflects on the contributions made by the Ostroms and their workshop.
The last two essays take a broader perspective on the study of political economy, situating it in the context of the pursuit of social justice. The seventh essay is a review of Daniel Chandler’s *Free and Equal: What Would a Fair Society Look Like?* It engages with the ideas of philosopher John Rawls, who developed a comprehensive theory of justice. Chandler’s book is an attempt to introduce Rawls’s ideas and consider how they may be applied. The essay provides a summary of these ideas and critically evaluates their applicability in the context of contemporary political systems. The last essay is a review of sociologist Michèle Lamont’s *Seeing Others: How Recognition Works—and How It Can Heal a Divided World.* The book calls for a multifaceted approach to bridging recognition gaps, emphasizing the roles of political activism, cultural shifts, and personal networks. She highlights the importance of changing narratives and building recognition chains to challenge stereotypes and foster inclusivity. The essay presents reflections on Lamont’s ideas in terms of how they may promote a more just society and also how sometimes simpleminded politics can do more harm than good.

This collection not only commemorates these historical perspectives but also connects them with current socioeconomic challenges, thus offering a dialogue between the past and present to envision a more equitable future.
ESSAY 1

Madhava Rao’s Enterprise:
Then and Now

Suyash Rai | April 5, 2023

In the book *The Progressive Maharaja: Sir Madhava Rao’s Hints on the Art and Science of Government*—first published in 2022, with the paperback edition available this month—political philosopher and historian Rahul Sagar has reintroduced a text that was almost lost to us.¹ Over the years, people came across different versions of it—a version has been online since 2007—but it is not clear how many appreciated its context and importance, which Sagar presents in a detailed and worthy introduction. In the versions floating around, the order of the text was neither logical nor chronological. Sagar has recovered the original text.²

What is the Text About?

It is a series of lectures that the then dewan of Baroda, Raja Sir Tanjore Madhava Rao, delivered in 1881 to prince Sayaji Rao Gaekwad to help prepare him for his ascendance to the native state’s throne. They were a distillation of Rao’s experiences in government and his vast readings on governance. These lessons were an attempt to teach the virtue and principles of good government to someone who was to become a king, not because of his abilities but because of his fortune.

Sagar explains how Rao’s experience as a statesman led him to believe that the native states could serve their citizens well through good governance. In his fifteen years (1857–1872) as the dewan of Travancore, Rao had helped it become a model native state, thereby establishing a formidable reputation for himself. He had then served as the dewan of Indore from 1873 to 1875 before becoming the dewan of Baroda in 1875.
The big idea animating Rao’s lectures was that of a constitutional monarchy promoting the happiness of the people. He had drafted a constitution for the native states (given in Appendix I of the book). Since the constitution did not find acceptance, the other option was to explain the importance of constitutionalism to the prince. Rao did not expect the prince to bind himself to constitutional constraints based on a plea. In the lectures, his appeals to higher ideals are juxtaposed with warnings about the risks that bad government posed to the maharaja, mainly the possibility of being removed from power by the British, as had happened with Malhar Rao, Sayaji Rao’s predecessor.

**What Do the Lectures Teach?**

In the first lecture, Rao states the fundamental principles. He starts with a plea to achieve good governance to promote the happiness of the people. He suggests that the state should be seen as a public trust and that the maharaja should place the happiness of his people above his own happiness. This means giving up powers to act arbitrarily, showing no partiality to a class, creed, or friend, treating all people with consideration, employing all classes in public service, avoiding unequal taxes, and giving equal justice to all. Such a government, Rao suggests, will also live long.

In lectures 2–15, Rao lays down the principles of internal administration while explaining how things were, advocating for the continuation of reforms he had undertaken, and discussing future priorities. Rao suggests that the government’s core role is “to take measures for the security of the life, liberty, person and property of the people.” This requires an adequate and efficient police force backed by a strong and disciplined military and proper judicial tribunals for dispensing justice. Further, Rao suggests that the government should focus on public health, education, public works, food supply, encouraging industries, and other functions. On each issue, Rao makes suggestions on the objectives and the instruments to promote them. He also gives suggestions on the duties of the maharaja, organizing the palace department and the public administration system, and structuring the salaries.

Rao recommends many principles for administration, such as meritocracy in appointments to public office; equality before the law (including for the maharaja); rational administration without routine intervention by the maharaja; noninterference with religious practices, except when they harm others; diversity of castes and creeds in higher administration; and a focus on administrative efficiency. He also makes suggestions for avoiding the bad aspects of old filial and communal systems while retaining the good practices.

Lectures 16–21 are about foreign relations. These are mostly focused on how the maharaja should deal with the British Raj. Rao suggests a conciliatory and even obedient approach; the main objective seems to be not antagonizing them. To a contemporary reader who sees the country’s colonial history in terms of a foreign power conquering a “free” people, who then undertook a long struggle for freedom that ultimately ended with the achievement of
independence through the dint of their own efforts and sacrifices, Rao would appear too accommodative.

The dewan served more at the pleasure of the British government than he did at the pleasure of the maharaja. Even the maharaja could be deposed by the British government. Rao had begun his career a few years before 1857 and must have seen the mismatch in power and what the British were capable of when faced with resistance. Importantly, the lectures had been approved by the British government. One could, therefore, argue that he was saying what could be said and no more. Sagar also presents such a realist interpretation.

In Lecture 22, Rao concludes the lectures on internal administration and foreign relations by reiterating the importance of promoting the happiness of the people, with a reminder that the position of a maharaja is one in which great power is inseparable from great responsibilities, and stating that the maharaja must adhere constantly and faithfully to these principles, which involve "great self-denial" and great firmness in resisting "multifarious seductive influences."

Lectures 23–45 are about the personal conduct of the maharaja. The essence of these lectures is that being a maharaja is more difficult than one might think. It requires self-denial, sound judgment, a restrained disposition, and other rare qualities. Rao makes many useful suggestions on identifying intriguers, handling one’s anger, being firm with reasoned decisions (without being obstinate), taking and using advice, encouraging honest discussion, willingness to compromise, not seeking shortcuts to fame (instead, doing the right things and letting fame follow), trusting and backing the administration, not working too hard (devoting time for recreation and learning), cultivating good judgment by studying how others judged difficult matters, evaluating the alternatives before taking a decision, acting in good faith, and so on. In Lecture 46, Rao concludes by emphasizing that theoretical knowledge alone is not "sufficient in the government of human beings." The maharaja must constantly add “the benefit of actual practical experience.”

What Was Rao Trying to Achieve and Why?

Rao suggests that the maharaja should make the people happy and not make the British government unhappy. Some may argue that the people could not be truly happy under a foreign government. However, Rao did not see a straightforward way out of British rule. The key is to understand what he saw as the sources of British power and the weaknesses of the native states and the regimes this country had seen earlier.

In Chapter 16, he writes, “The power of the British Government is all the more irresistible because it is derived from a combination of physical with intellectual and moral power.” Rao saw that the main sources of British power were institutional. Rao also seems to believe that, in terms of good governance, earlier governments in India were worse off and many of the contemporary native states were no better. Rao suggests that the native state needed to learn from the British government and other sources of modern thinking on government. He suggests learning from the laws framed by the British government and quotes thinkers like Francois Fenelon, Emer de Vattel, and Edmund Burke at length.
Rao quotes native sources as well: on the rule of law, he quotes the Upanishads to say that “The Law is the King of Kings”; he cites the Dharma shastras to underscore that the “first duty of the ruler is to promote the happiness of the people”; and he quotes the Vedas to suggest that “he alone lives who lives to do good to others.” It seems Rao believed that although some of our traditional sources contain certain high principles, countries like Britain had developed new modes of governance that India needed to emulate in the native states to promote the happiness of the people. Implicit in Rao’s enterprise is that in modernity, such happiness and the abilities of the state are strongly associated. Rao would not have agreed with the suggestion that Indians needed to be civilized by the British, but he did see advantages in learning about modern governance from them.

Rao gives many examples of how native states were often lacking in good government. He refers to issues such as misappropriation of the police, poor administration of justice, excessive taxation, princes undertaking private trade, deficiencies of “organization and discipline” in public administration, the tendency to not allow good public servants to continue for they do not allow “dirty work,” wrongful exercise of the rights of patronage, and so on.

Rao also saw good governance as necessary for the continued independence of native states, such as it was. The British had often intervened in these states in the name of bad governance. Referring to the principles suggested in the lectures, Rao writes, “They are those which alone will secure the continuance of existing independence to Native Princes.”

The emphasis that Rao gives to the conduct of the king is also worth thinking about. While this is not surprising given the context of the lectures, it nonetheless shows the importance Rao attached to the quality of the ruler. He explains how this may affect the working of the administration. Rao does not seem to believe that good public administration systems could substitute good intention and sound judgment from the maharaja. The qualities of the ruler would continue to matter. In this, he is more like the ancients than the moderns.

One way of describing Rao’s enterprise is that he wanted the native states to learn from more developed polities like Britain while distilling the best of their own sources of order to raise the quality of rulers and modernize public institutions to promote the happiness of the people. What this might have meant for the possibility of self-rule is unclear. For anyone looking to build abilities in the country’s own territories, native states were the place to be, despite the constraints posed by the British government. Rao wanted Baroda to be a model state like Travancore. If his enterprise had succeeded and many native states had flourished through good government that could resist the “irresistible” power of the British government by combining a virtuous ruler with techniques of modern administration, perhaps this would have bolstered the possibility of achieving self-rule based on what Machiavelli called “own arms and virtue” and reduced the dependence on the vagaries of fortune. There is a “build your strength, bide your time” spirit in Rao’s enterprise. Eventually, this may have also shaped independent India’s journey. But, as Sagar shows in the introduction, history
took a different path.

The best leaders seem to hold in equal regard two conflicting thoughts. One is that, at any
time, due to facts of human nature and the histories and complexities of social systems, how
things are overwhelms how they should be. The other is a commitment to root their actions
in some longing for how things should be. In this sense, Rao was among the best statesmen
of his time.

Are Rao’s Ideas Relevant for Our Times?

One’s view on this question would depend on how one perceives politics and governance
in today’s India. Since Rao’s time, there have been many changes in the regime and
circumstances. Still, one might be persuaded to see Rao’s relevance on a few counts.

First, Rao’s principles on the core role of the government. His primary focus on advancing
the happiness of the people is perennial. Sure, democracy opens and explicitly politicizes the
question of what this happiness might mean. Also, since Rao’s time, our understanding of
what a government can do efficiently has expanded. However, as India is still a long way from
achieving security and prosperity, Rao’s basic ideas are quite relevant.

Second, the principles of sound public institutions, such as the rule of law and participative
and deliberative policymaking. Globally, such principles are no longer a rarity the way
they were in Rao’s time. In India, we would be hard-pressed to find public institutions
that routinely follow participative and deliberative policymaking processes. As far as the
elected governments are concerned, when a party secures sufficient electoral power, it starts
behaving as if its power to do what it wants also obviates the epistemic reasons for evidence,
consultation, and agreement, and the law can be made to mean anything it wants. Can we
say that in situations where the law is on one side and political power (or money) on the
other, the former side tends to prevail, or that our policymaking processes are adequately
deliberative and participative?

Third, consideration of experience and expertise while making appointments to a public
office. Even though the role of pedigree in such matters has declined for good reasons, the
principle still holds. Lenin once wrote that all can be trained to run the country, and then
went on to suggest that they should.¹ Nationalists of a peculiar kind go further; they seem to
believe that love of the nation (or the expression of it) is qualification for high office. While
it is true that persons of any background can govern, and it might also be true that love for
the country can be motivating, relevant capabilities are still necessary. Can we say that the
governments in India give due importance to capabilities in appointments to public office?

Fourth, the role of good intentions and sound judgment by leaders. When we think of
democracy, we tend to think that the people decide. However, the people only choose the
representatives. The representatives choose the issues to address, frame them, and decide
on policies. Confusing the question of electoral choice with the question of policymaking allows skilled politicians to turn democracy on its head, transforming it from a mechanism for holding rulers accountable to an alibi for bad government. Issues of justice, performance, and conduct are reduced to the question: how many seats did you win in the last election? This, we must concede, is the second-most important question in a democracy. The most important question in a democracy is the same as that in any regime: what is politics doing to create conditions in which humans can flourish? Can we say that our leaders generally work toward creating such conditions and do so with good practical judgment?

Fifth, the importance of leaders’ conduct. Despite the contemporary focus on the government’s “monopoly of coercion,” which makes politics seem like a competition over who gets to coerce, the scope of politics is broader. A prime minister is not just someone who coerces us. Their conduct also shapes the civic norms in the polity. The shaping of citizens is essential to politics and has consequences for the republic. Like the native kings Rao worried about, leaders in democracy can behave badly, just that they tend to do so in the name of the people. Can we say that most of our political leaders are exemplars of civic virtue?

Finally, Rao’s approach to politics—seeking genuine improvements in the people’s happiness and the state’s capabilities through institutional changes while addressing enormous challenges from within and outside the polity—is inspiring. Sagar deserves gratitude for bringing him out from the shadows.
In *Process and Reality*, based on a lecture series delivered in 1927–28, Alfred North Whitehead writes, “The safest general characterization of the European philosophical tradition is that it consists of a series of footnotes to Plato….I allude to the wealth of general ideas scattered through them. His personal endowments, his wide opportunities for experience at a great period of civilization, his inheritance of an intellectual tradition not yet stiffened by excessive systematization, have made his writings an inexhaustible mine of suggestion.”

It would not be much of an exaggeration to make a similar statement about the importance of Adam Smith for the study of political economy and economics. Smith’s intellectual acumen, applied to observations of social and economic life at a time of major changes well before the ideological debates around those changes became systematized, makes his writings a treasure trove of ideas and suggestions. June 5 marked three centuries since his birth.

Smith wrote two masterpieces: *The Theory of Moral Sentiments* (TMS) and *The Wealth of Nations* (WN). Published in 1759, TMS is a work of moral philosophy and social psychology, and WN, which was published in 1776, is a work on political economy and economics.

WN is mainly about improving material well-being through consensual, self-interested transactions in competitive markets. TMS is mostly about how social interactions can build on our innate empathy to achieve moral improvements. So, the primary concern of
both these works is how individual lives can be improved through economic and social interactions, and a secondary concern is how social, political, and economic processes interact to bring about structural changes.

Consider how, in TMS, Smith builds up his arguments from a conception of the natural empathy that exists in human beings.

The first sentence of TMS conveys his basic premise: “How selfish soever man may be supposed, there are evidently some principles in his nature, which interest him in the fortune of others, and render their happiness necessary to him, though he derives nothing from it except the pleasure of seeing it.” He calls this principle “sympathy,” but its meaning is similar to that we now assign to the word “empathy.” Smith shows how this empathetic capacity also makes us expect others to empathize with us as we observe their responses to our emotions. So, we like the views of those who agree with us and share our emotions, and we feel unhappy when someone disagrees with our actions and views and does not share our emotions.

Smith argues that such entanglement also brings about a regulative function. It can trigger a sociopsychological process wherein we observe others’ responses to our emotions and modulate our actions and emotions accordingly. Sometimes, we increase their intensity and decrease it at other times to take them closer to what an “impartial spectator” observing our situation would approve of. This can create socially beneficial morality, which Smith explains as follows: “To feel much for others and little for ourselves, that to restrain our selfish, and to indulge our benevolent affections, constitutes the perfection of human nature; and can alone produce among mankind that harmony of sentiments and passions in which consists their whole grace and propriety.”

In a highly insightful discussion on the psychological foundations of economic pursuits, Smith points out an asymmetry in our empathetic capacity: “It is because mankind are disposed to sympathize more entirely with our joy than with our sorrow, that we make parade of our riches, and conceal our poverty.” So, while wealth may not give us as much joy as we expected through the objects it can buy, there is a payoff in terms of the excessive admiration (and envy) it invokes among others. Since this fuels the competitive economic activity that can lead to economic growth, it can create benefits for those who are employed in the fulfillment of these pursuits. In Part IV of TMS, Smith invokes the famous idea of an “invisible hand” to show how the pursuit of wealth by the rich can benefit others even though they did not intend to generate such benefits. He writes, “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 interest of the society, and afford means to the multiplication of the species.”

Smith discusses how we need to develop general rules based on which we can reward socially beneficial actions and punish harmful actions committed intentionally, but he also
shows how our conscience plays a regulative role in our morality. However, he writes, “The word conscience does not immediately denote any moral faculty by which we approve or disapprove.” So, conscience needs the development of moral content upon which it can act. Smith observes that we can develop this moral content, which takes the form of general rules that inform our actions. This process is again based on our empathetic capacity—we can understand the effects of our actions and those of others and use this material to develop rules for appropriate actions. These rules allow us to make decisions without having to think deeply each time we are faced with a situation.

These ideas on empathy are spread over the first four chapters of TMS. This theory that sees human beings’ natural empathy as creating a potentiality that can be transformed into actual morality was a major breakthrough. Interestingly, though, Smith does not seem to consider even some of the limitations of this empathetic capacity—for instance, its tendency to overestimate the joys of others—to be necessarily harmful because they can lead to beneficial outcomes for the society. These limitations can be transformed into advantages.

Compared to TMS, WN is a very different work, but it also draws substantially on this basic insight that human pursuits, though motivated by strange, even illusion-laden conceptions of self-interest, can still generate benefits for the society. There is, in Smith’s view, a natural tendency among humans to transact with others in self-interest, and as long as the transaction is based on mutual consent, both sides will benefit.

Since he was no pamphleteer looking only to win an argument, his thoughts are complex. He analyzes the workings of the market economy in a variety of ways. However, he clearly highlights the benefits of a well-functioning market economy and suggests that the market economy did not have unusually negative effects on morality. Both sets of arguments were important. If Smith had only pointed to the benefits in terms of efficiency gains due to market competition, it would not have been enough. This is because most of the prevailing views of the market economy were suspicious of the moral consequences of its expansion.

Smith explains how the market-based interdependence with strangers can be beneficial in a commercial society: “When the division of labour has been once thoroughly established, it is but a very small part of a man’s wants which the produce of his own labour can supply. He supplies the far greater part of them by exchanging that surplus part of the produce of his own labour, which is over and above his own consumption, for such parts of the produce of other men’s labour as he has occasion for. Every man thus lives by exchanging, or becomes in some measure a merchant, and the society itself grows to be what is properly a commercial society.” The market enables this coordination and cooperation among strangers who individually specialize in specific tasks and activities. As Smith notes, this specialization makes them efficient by allowing them to develop skills through repetition, saving them the time of moving from one task to another, and allowing the use of specialized machinery for each task that improves the efficiency of the person performing it.
Smith showed how the combination of trade and competition created the efficiency gains through the specialization we see in the modern economy. While trade had existed for a long time, it had typically been done through monopolies, and tariff restrictions or controls were often imposed when imports started competing with domestic production. Smith’s observation that trade is beneficial for both sides was a direct critique of the prominent mercantilist idea that a country had to limit imports from other countries. At its heart, mercantilism is about seeing money as the wealth of a nation, while Smith argued for seeing wealth in terms of economic productivity. So, while mercantilists advocated for curbing imports to prevent the outflow of money, Smith argued that money was just a medium of exchange meant to facilitate trade within a country and across borders. Smith’s argument for trade is mainly built on the benefits of specialization—the bigger the market, the better the efficiency gains.

In WN, Smith argues strongly against granting monopolies or imposing tariff protections or controls. Even for the more reasonable instruments, such as drawbacks, Smith warns about the possibilities of misuse. He extends this even to include the colonies, which were typically forced to trade only with the colonizing country. A key “self-interest” argument he makes against such restrictions is that they direct the colonizing country’s capital toward the colony when it could have been more efficiently used elsewhere. Similarly, while domestic markets had existed for ages, some of them were marred by anticompetition forces such as guilds and trade associations. Since markets are, as Smith argued, mechanisms for efficient allocation of resources and for automatic coordination between different producers and consumers through the price information, any distortions could lead to inefficiency. So, Smith’s argument is that efficiency improvements require freeing up foreign trade while also removing barriers to competition within the domestic economy so that producers are exposed to local as well as foreign competition.

Coming to product markets, Smith considers the development of land for agriculture as the top priority. In his time, which was before the Industrial Revolution, food products were among the few products that were considered essential, and almost all manufacturing products were considered “conveniences and luxuries” (Smith even calls poultry a luxury). Since, as Smith argues, subsistence takes priority over convenience and luxury, agriculture should be given priority. Further, he argued, rightly for his time, that agriculture was the main source of surplus that could then be invested into manufacturing. Smith was, however, among the first to argue that manufacturing is productive. Further, he also saw value in services, even though he considered them unproductive. Most services in his time, except perhaps engineering, architecture, teaching, etc., did not produce anything durable. The durability of services outputs in domains such as entertainment has increased due to technological change, and new types of services such as information technology have emerged, which add value to many production processes.

Smith’s thinking on the sources of growth includes ideas that correspond to certain aspects of modern growth theories. In addition to the role played by trade, which Smith is traditionally associated with (Joel Mokyr calls this Smithian growth), he also emphasized, in
a Solovian argument, how increasing capital investment (he uses the word “stock” for capital) boosts growth by raising labor productivity. Even though Smith wrote in a pre-Industrial Revolution world and therefore drew many examples from agriculture, his overall model of how factors of production—land, labor, and capital—come together for productive purposes was sound. He emphasized the importance of not just increasing participation in the labor force but also the role of skills in improving productivity.

Smith also highlights the role played by institutions. In a discussion on commerce in towns, he shows how commerce thrives when security and order are ensured. Book III of WN has an extensive discussion on public policies that affect economic productivity, with many examples of how policies hamper productivity. Smith argues against many types of government interventions in the economy that reduce competition to benefit a few but ultimately have a negative effect on efficiency and productivity. Book V of WN is mainly about the role of the government. Smith advocates for an essential role of the government in ensuring the defense of the country, the administration of justice within the country, ensuring supply of infrastructure (financed by toll, local taxes, or general taxes), and public education. He was obviously writing for his time, but the underlying theme of this discussion in Book V is the identification of functions that are most efficiently performed by the government.

These arguments on the sources of growth can be read in an integrated manner: private capital investments are encouraged by improvements in institutions and an adequate supply of public infrastructure, and in the context of competition from domestic and foreign producers, these investments enable the use of other factors of production toward the most efficient and productive purposes.

Smith’s thoughts on the consequences of the market economy were more nuanced and multifaceted than he is often given credit for. While he famously explained the efficiency gains created by the specialization that was necessitated by market competition, he also saw how it could create a problem of meaning for the workers. In Book V of WN, he writes, “The man whose whole life is spent in performing a few simple operations, of which the effects too are, perhaps, always the same, or very nearly the same, has no occasion to exert his understanding, or to exercise his invention in finding out expedients for removing difficulties which never occur.” This is quite like the concern Marx expressed many years later in his idea of alienation. Smith’s suggestion to overcome this to some extent was to invest in education that exposes every human being to some learning and helps them develop.

From WN, it is quite clear that Smith is concerned about the welfare of the workers. Smith argues that economic growth is a necessary condition for improving the welfare of workers. For workers’ wages to rise, he argues, the incomes of the enterprises they work for must grow. If the economy does not grow and the incomes of the enterprises do not rise, it would be difficult to negotiate a wage rise because the owners of capital are in a stronger position in an economy that is not growing and therefore has fewer opportunities for workers. However,
as he writes in Book I of WN, even though economic prosperity is essential for the workers’ wages to rise, workers are often not in a position to understand this fact and to propose the policies that might improve such prosperity that can enable a wage rise. Further, he observes that, given the way policy was made during his time, the workers’ views rarely mattered.

Smith is also quite clear-eyed about the disproportionate power that owners of capital can come to have in the policymaking process. After showing why landowners and workers are often unwilling or unable to influence policies, he shows how the owners of capital have the ability and the incentive to do so. He argues that their interest may not always be aligned with the society’s interest. In a discussion containing the essential insight on “creative destruction” that Schumpeter wrote about many years later, he shows how a vibrant economy encourages more capital investment, which means more competition that can put pressure on profits of those who invested earlier. So, owners of capital often advocate for expanding the markets while reducing the competition. Smith writes: “The proposal of any new law or regulation of commerce which comes from this order, ought always to be listened to with great precaution, and ought never to be adopted till after having been long and carefully examined, not only with the most scrupulous, but with the most suspicious attention.” In a similar refrain, Smith writes about how people of a trade or profession often conspire to keep their incomes high at the cost of the public. He writes: “People of the same trade seldom meet together, even for merriment and diversion, but the conversation ends in a conspiracy against the public, or in some contrivance to raise prices.”

Essentially, Smith seems to be arguing that a well-functioning market economy requires policies to be made in public interest through a process that is not held hostage to any class. This requires a certain level of independence, transparency, and objectivity in the policymaking process, which many good governments in recent decades have accepted.

In his wonderful introduction to the Penguin Classics edition of TMS, Amartya Sen writes, “Smith’s focus is on actual realizations (not just on institutions and arrangements), and on comparisons rather than on transcendence. The primary concentration in the Smithian approach is on questions such as ‘how would justice be advanced?’ rather than on, as in Rawlsian theory, ‘what would be perfectly just institutions?’” This is a crucial distinction in the different ways in which people think about justice. Since Smith began his work from the observation of social and economic interactions, he could see how they could be made more beneficial—sometimes gradually, sometimes quickly. Such a reconstructive approach that builds normative proposals based on observation of practices is something that all interested in political economy can learn from Smith.

This kind of methodological learning is particularly important when it comes to Smith because he always emphasized a specific historical understanding of political economy. For instance, his narrative in WN about how the feudal lords’ rising expenditure on luxury may have weakened them and created grounds for the development of the rule of law, which helped give birth to modern liberty, is offered specifically in the context of the Europe of his time. People working in a specific political economy would do well to learn from the way Smith pursued his inquiries rather than relying on ideological readings of his work. Such readings offer attractive but ultimately hollow prescriptions.
In the anglosphere, the eighteenth-century Irish philosopher-statesman Edmund Burke is often called the father of modern conservatism. Russell Kirk attributed to Burke the basic impulse that drives conservatism—“preservation of the ancient moral traditions of humanity.” Burke, according to Kirk, had a talent for “re-expressing convictions to fit the times,” instead of remaining attached to fixed dogma. Burkean conservatism mixes an openness to adaptive reform with a concern for moral traditions.

A recent book, *Commerce and Manners in Edmund Burke's Political Economy* by Gregory M. Collins, a lecturer at Yale University, highlights this quality of Burke through an analysis of his thoughts on political economy. Collins shows that Burke understood the power of modern industry and market economy quite well and was a lifelong advocate for harnessing it for material improvements, but he also called for moral and political limits on this power.

Bibliographies of writings on Burke run into hundreds of pages. He is neither forgotten nor underrated. However, an argument can be made, and Collins makes it, that Burke’s thoughts on political economy have not received a comprehensive treatment. Although there are many papers, and a few books, that consider his thoughts on political economy, nothing as comprehensive as Collins’s book exists. Collins refers to Burke’s writings, contemporary documents, commentaries by others, empirical data on contemporary political economy, and other sources to paint a nuanced picture of Burke’s views on the subject.

Collins analyzes Burke’s statements on the commercial and financial matters to bring out the profundity and underlying unity of his thought. Collins suggests, “Burke’s remarks on political economy illustrate an underlying coherence that incorporated, but transcended,
elements of prudence, utility, and tradition.” He was, Collins writes, “a profound thinker on the science of political economy.”

The book shows that Burke had an exceptionally clear understanding of the working of markets. He saw the power of the market economy and advocated for harnessing it. In domestic markets, he called for minimizing government intervention and allowing the laws of supply and demand to circulate goods, including in areas of scarcity. He believed that market competition lowers the cost and enhances the quality of goods and that voluntary exchange advantages members from different social orders, including the poor. He presented a spirited defense of the much-maligned middlemen, seeing them as responsible for increasing the efficiency of the flow of provisions.

In a Smithian refrain, Burke saw in the working of the markets a providential force—“benign and wise disposer of all things”—that transforms individual self-interest into collective advantage. He saw the government’s role in securing private property, insisting that “the great use of Government is as a restraint.” He favored a limited government that establishes and carries out “definable tasks in accord with its responsibilities and capabilities.”

Interestingly, while supporting modern commerce, Burke was a believer in the primacy of landed property, seeing it as “the counterpoise to the political ambitions of the Crown.” The aristocracy of landed property could, in his view, protect constitutional government and constitutional liberty against overreach by the monarchy. He also saw landed estates as sources of agricultural and technological innovation, with inherited land providing the stability that allows for the gradual expansion of commerce across generations.

On foreign trade, Burke generally argued for relaxation of barriers but only if this did not subvert national security and national honor. Believing that the wealth of nations derives from international trade, he opposed the mercantilist pursuit of balance of trade. He also suggested that trade can ease social tensions and strengthen relations between different nations but only when they have a joint interest in forging such relations. Burke’s thought on matters of trade was “subordinate to his broader defense of the British Empire.” He did not believe that commerce should dictate foreign policy. He supported a policy that promoted trade with friendly nations but displayed “greater prudence in enhancing trade relations with global adversaries.” If nations hostile to Britain aspired to use trade to gain imperial and military advantages over it, Burke was keen on sacrificing some commercial prosperity for the sake of “preserving the integrity and security of the British Empire.”

Burke did defend a monopoly in foreign trade, most famously for the East India Company. He justified it by highlighting the risks of trading in distant lands. However, even in these places, Burke was opposed to the control of internal trade. While he supported commercial privileges for the East India Company, he critiqued the firm’s despotic acts toward Indians, made possible due to a mixing of economic power with political monopoly. He advocated for freeing Indians from the internal monopoly of the East India Company.
Burke opposed the intrusion of abstract rationality into markets. Collins sees this as similar to Burke's condemnation of the French Revolution. In both critiques, Burke suggested that “a corrupted form of theoretical reason scorned the infinite complexities of human activities.” He believed that man's “private stock of reason” limited the understanding of complex economies and societies. Therefore, “the imposition of abstract reason on civil society unsettled the stable foundations for commercial enterprise and social union.”

While there is a predominance of utilitarian interpretation of Burke's thoughts on political economy, Collins shows that he undergirded a utilitarian perspective with virtue ethics and a concern for community and political values. Burke believed that commercial culture cannot sustain itself without prior ethical commitments and that religion and virtues are more important for the growth of civil order than material affluence. He opposed the slave trade, seeing it as a violation of the moral law. Burke wrote, “If wealth is the obedient and laborious slave of virtue and of public honor, then wealth is in it's place, and has it's use: But if this order is changed, and honor is to be sacrificed to the conservation of riches, riches which have neither eyes nor hands, nor any thing truly vital in them, cannot long survive the being of their vivifying powers, their legitimate masters, and their potent protectors. If we command our wealth, we shall be rich and free: If our wealth commands us, we are poor indeed.”

Burke was generally opposed to government-directed redistribution of wealth, but he believed that the rich are trustees of the poor, with a moral duty to provide charity to them when the laws of supply and demand are inadequate to meet their needs. Collins shows that Burke also practiced this in his own life. His view was that commerce can be harnessed for improving material wealth in a social order, but the imperatives of market competition should not do away with the “pre-commercial ties of love and sentiment.” Certain unconditional ethical commitments must precede the fulfillment of voluntary contracts. “Commonwealths are not physical but moral essences,” Burke wrote.

The picture that emerges from this book is that Burke cautiously but surely embraced the big changes being brought about by the industrial revolution and the expansion of the market economy. Burke entered Parliament just when the first Industrial Revolution was beginning to intensify and the market economy was spreading. Burke’s understanding and defense of commerce shows considerable acuity. It also took courage, because the economic changes were also leading to social upheavals. Burke believed in the possibility of progress—a society evolving by “renewing and modifying the accumulated traditions of the past in order to meet the needs of contemporary circumstances.” Thus, the stereotyping of Burke as a defender of an old order is misplaced.

Most of Burke's insights on political economy were expressed during his participation in lawmaking as a politician. He served in the Parliament for about three decades. During this time, many issues, ranging from poor laws to trade restrictions, came to his attention. He also ran a 600-acre farm, of which he himself cultivated 400 acres. Collins describes how Burke thought about an issue, “He concentrated his mind on the particular circumstances
and details at hand, and then broadened his gaze to acquire an understanding of their implications for Britain, its empire, the foreign arena, and civilization as a whole.” He could often see beyond the first-order effects.

Some scholars have pointed at the “Burke-Smith problem”—Adam Smith served as an intellectual inspiration for French revolutionaries, but Burke was the most celebrated critic of the revolution even though he endorsed several views similar to Smith’s. Collins shows that Burke tried to “blend liberal commercial principles with the wisdom of the past” to minimize the tensions between traditional virtue and modern economies. He believed that a properly balanced state could mix “market vibrancy with the pre-commercial pillars of religious instruction, social affection, and aristocratic moderation.” Collins therefore suggests that there was no Burke-Smith problem.

Burke envisioned precommercial moral values shaping preferences, which are partly fulfilled by market exchange and partly by other forms of social action while being situated in the political order of an honorable nation. He lived at a time when many fundamental choices were being made. Certain paths were chosen, and since then many places in the world have joined or been brought into that history. Crucial choices are still being made, and we need re-expressions of the fundamental convictions to fit our own time and place.
Most of those who study development focus mainly on policies that governments make or should make. Much fewer researchers focus on the politics that shape these policies. Therefore, there is a vast literature on the economics of development but a much smaller one on the politics of development. Further, much of the journal-published research that makes causal claims regarding development uses quantitative analysis, typically based on randomized controlled trials or natural experiments. Both these trends have shaped the thinking on development for several decades.

Robert Bates of Harvard University is in the minority on both these counts. His work on development takes a political perspective, trying to understand how political power shapes developmental outcomes. He has also taken a different methodological line—he is among those who have for long advocated the use of analytic narratives, which apply game theory to transform qualitative data into causal explanations. This method involves “identifying the actors, the constraints they face, the alternatives available to them, the responses they anticipate, and the payoffs that then accrue,” and then identifying the strategies the actors are likely to pursue assuming they are rational. Bates and others have argued that this method can supplement or be an alternative to the quantitative approaches toward identifying causal explanations.

During his distinguished scholarly career spanning more than five decades, Bates has helped build considerable knowledge on the political economy of development. In *The Political Economy of Development: A Game Theoretic Approach* (2021), Bates gives us the summa of much of this work. The book is comprised of nine chapters. Other than the introduction and the conclusion, all the chapters have previously appeared as papers. By consolidating them in an analytically meaningful manner, Bates helps the reader see the buildup of his theory of development. In this essay, we present the essentials of his theory.
Bates uses the term “development” to refer to the rise of prosperity and the attainment of security for life and property. Many societies have achieved considerable development in this sense, achieving prosperity that raised their GDP per capita by fifty to sixty times over a period of just five to six generations and building capable states that are able to provide security for life and property to a great extent.

Bates starts by showing the limitations of stateless societies, drawing on E. E. Evans-Pritchard’s anthropological work on the Nuer—a stateless society in what is now South Sudan. Through a simple model with families who may choose between the use of force and the renunciation of force, Bates shows that the use of force is the rational choice for both families, because renunciation would mean that the other family would be able to exercise force to take hold of its property. This is a classic prisoners’ dilemma. In such a situation, peace is always fragile. Evans-Pritchard seeks to explain how the Nuer then achieved peace despite the absence of a state. Bates provides game theoretic models for Evans-Pritchard’s explanation, which was based on two sets of mechanisms: conflict resolution and dispute settlement mechanisms and facets of Nuer culture.

The “tribe” as a political community and the “leopard-skin chief” as a community leader help develop compensation and arbitration mechanisms for those against whom violence has been inflicted. Compensation changes the incentives for those looking to inflict violence so that it becomes preferable to abjure violence. Following Evans-Pritchard, Bates emphasizes the chief’s role as a communication link between conflicting parties so that the party that inflicts violence gets messages on expected compensation, failing which vengeance would be sought. In the absence of a coercive state, these mechanisms work because the Nuer willingly employ them and generally comply with their outcomes. Why do the Nuer do so?

One fundamental factor is the presence of deterrence—the Nuer clearly communicate their willingness to inflict violence against predators. Credible deterrence drastically reduces the probability that the other party assigns to the payoffs in which they will gain at the cost of the one signaling the deterrence. The existence of credible threats changes the payoff matrix to expand the set of strategies to include not just the use or renunciation of violence but also the contingent use of violence. In this matrix, Bates shows that the use of violence does not represent a dominant strategy, that is, the best strategy no matter what the other family chooses to do.

Other fundamental factors that enable voluntary acceptance of conflict-reducing mechanisms among the Nuer are crosscutting ties, such as exogamy and dispersed residence, and religion. Based on Elizabeth Colson’s work, Bates shows how exogamy helps in this regard—women play an important role in mediating disputes between clans, as daughters and sisters of one clan are wives of another clan. Further, based on Max Gluckman’s work, Bates argues that since members of a family do not cluster in a single village, when an injury is inflicted by one family upon another, the dispute often divides the residents of villages, which goes against their interests. This creates incentives for a quick and peaceful settlement of the conflict. Religious belief also plays a role—ill feeling generated in others is believed to have the mystical power to bring misfortune upon a person. A variant of this belief is that
one person’s ill feeling could lead to collective misfortune in the form of disasters. This creates incentives for the clan to ensure that its members do not inflict harm. Such beliefs change the perceived net gains from violent predation.

However, in the absence of a state, such mechanisms only go so far. As prosperity increases, the temptation to use force to acquire property also increases. So, in such a society, prosperity may increase insecurity. Bates writes, “when control over the means of violence remains in private hands, there can be no development.” This is because to remain prosperous, one must be prepared to fight, and to be secure, it is best to have nothing worth stealing. People would like to have more of both prosperity and security, but the institutions in a stateless society do not allow this.

Bates then explores the relationship between prosperity and security in a stateless society more broadly. His argument proceeds from private individuals allocating their resources between production, leisure, and fighting. Through a model, Bates demonstrates that in societies where coercion is privately deployed for raiding and protection, behavior in equilibrium is likely to entail the unproductive use of resources in military preparations and activity, making it difficult to achieve the first best allocation of resources between work and leisure. This “anarchy equilibrium” exists in kinship polities. Further, as prosperity increases in a stateless society due to improving production, it becomes less likely for the first best allocation to prevail without investment in the means of violence. Bates summarizes this dynamic as follows: “In societies without states, then, the price of prosperity is the cost of preparing for war.” To escape this equilibrium, such societies might seek the introduction of a centralized form of political order, something that would enable them to develop.

Bates then sets out the conditions in which state formation can happen so that it becomes possible to prosper while remaining secure. He starts by recounting the history of the emergence of a centralized state following a period in which a rise in prosperity was accompanied by an increase in violence. Bates then formalizes the argument by introducing an agent “G,” or government, that specializes in the use of violence but refrains from predation and instead employs its power to protect the generation of wealth. Under such an agent, the citizens would refrain from violence, engage in productive labor, enjoy their leisure, and pay taxes. Bates describes the situation in which these choices persist in equilibrium as a “cooperative governance equilibrium.” Analysis of this equilibrium suggests that it can sustain as long as the tax rate is such that private agents are willing to pay and that G finds it sufficiently attractive to refrain from predation. Bates also derives certain conditions in which this political order will collapse. For instance, if there is an increase in G’s prospects off the equilibrium path, it would choose predation. Similarly, if the private agents’ military capabilities relative to those of the government increase, they may choose predatory violence.

While the creation of a state is necessary for development, it is not sufficient. Those who preside over the state can themselves turn predatory. Bates then turns to building a theory of “restraining the Leviathan,” delineating the conditions under which the state does not turn predatory and remains focused on enabling prosperity and security.
The first part of this theory focuses on the incentives that shape the behavior of the bureaucratic institutions comprising the state. Bates shows that the state is more likely to be developmental when politicians preside over bureaucracies that are: longer-lived than their members, with overlapping generations serving at the same time; marked by a division of labor with mutual interdependence between generations; hierarchical (with the possibility of growth for the juniors); and rule-governed. Through a model of a leader and a deputy (who is looking to become the leader later) working with rules, Bates shows how these conditions are sufficient to make those ambitious for power willing to sacrifice economic consumption to secure political office, with the consequence that they obey a set of rules that provides a stable environment for investors. Bates shows that for a certain tax rate, the equilibrium strategy for both leaders and deputies is to “obey the rules.” Bates also shows that this requires that the “shadow of the future looms sufficiently large to constrain present behavior.” If the horizon shrinks—the discounted future returns of being a leader become lower than the level of ambition—those leading the state could turn predatory.

The other part of this theory of when state power is restrained focuses on the government’s need for income. Bates shows that a government’s need to bargain grows as its tax base becomes more mobile. Taking the example of England under Edward I, Bates shows how the taxation of trade and moveable goods marked a qualitative shift in the relationship between the crown and the taxpayers. While the taxes on trade and moveable goods were much more lucrative than other taxes, they were also easier to avoid. So, the crown had to bargain with the taxpayers. This created an impetus for political representation, which is a mechanism of consent. France chose to rely more on direct taxes. Certain corporate forms emerged—among other purposes, these served as mechanisms of cooperation and consent in tax matters with the monarchy. All this worked to moderate the predatory use of force by the monarch.

In chapter 7, Bates turns to a puzzle regarding the politics of structural transformation. On the one hand, in a developing country where agriculture has a large share in the economy and employs the largest number of people, why does the polity support policies that depress the relative prices of agricultural products, thereby boosting growth in industry and facilitating structural transformation? On the other hand, in developed countries where agriculture is a small contributor to GDP and employment, why do many governments champion the fortunes of agriculture by, for example, subsidizing agriculture? This disconnect between the economic contribution and the political prominence of sectors of the economy is a puzzle that many have tried to unpack. Bates sets out to unpack this puzzle through a model that, while based on individual farms and firms, generates political winners and losers at the sectoral level. At the core of the model stand “interest groups” rather than sectors. Bates’s model is built on the assumption that the actors are both producers and consumers. So, while forming a coalition to seek a price rise, any group has the incentive to exclude those other groups that produce things that form a large part of the consumption basket of the group. Food forms a large part of the consumption basket of the average household in developing countries.
Bates shows that in a simply stylized relative prices game, strong incentives exist for the formation of a winning coalition that consists of more than half but less than all of the industrial groups. The groups that are excluded are those whose goods comprise the highest share of a typical consumer’s budget. Among them are farmers. In developing countries, food is a large part of the consumption basket, and while manufacturing firms are specialized in specific products, farmers typically do not specialize. They produce several crops during the course of a year, and farmers in different geographies or within a geography produce different food products at any given time. Farmers are therefore unattractive coalition partners—if they get a price rise, it would be costly to all other coalition members. As an economy develops, the share of food in the consumption basket drops. Food production also becomes more specialized as farmers specialize in particular food items. So, agricultural producers become more viable partners in coalitions seeking changes in relative prices.

In the penultimate chapter, Bates offers a political economy analysis to explain the variety and volatility in the growth experiences of developing countries, as shown by Lant Pritchett and others. Bates focuses on the link between political instability, political risk, and economic performance, illustrating how varying degrees of political insecurity can generate the growth paths traced by many developing economies. He uses the standard Lewis two-sector model of the economy, in which development results from the movement of resources from the less productive “informal” or “traditional” sector to the “formal” or “modern” sector of the economy. Bates argues that modern firms are more productive but also more vulnerable to predation because they are more visible.

When a polity turns predatory, it often targets the more productive formal sector. The citizens choose whether to operate in the formal or informal sector. The a priori distribution of the government’s type and of its policy choices determines the citizens’ assessment of political risk and thus the growth of the economy. The government’s decision to predate or exercise restraint then sends signals, which the citizens respond to. The government’s predation generates immediate benefit for it, but restraint enhances political optimism, encouraging citizens to enter the formal sector. An opportunistic government trades off the immediate costs of restraint against the benefits of future predation. Its strategy mixes predation and restraint. In addition to the impact on growth, the government’s decision also impacts inequality—if a government becomes more predatory, it feeds inequality because those in the formal sector get a premium for the risk of predation, thereby raising the income difference vis-à-vis the informal sector.

This book is the culmination of a body of work that Robert Bates has developed with his co-authors over many years, but it is also built on a vast amount of work by anthropologists, historians, political scientists, economists, and others. The analytic narrative approach championed by Bates and others requires substantial, high-quality case material that lends itself to the creation of formal models that can yield insights into development. In the conclusion of the book, Bates writes that a major goal of this book was to “place politics at the center of development studies.” A careful reading of this book compels us to agree that
Bates has succeeded in this effort. However, the broader trends have only changed marginally. While in recent years we have seen more “mainstream” works on the politics of development than we did earlier, much of the discussion on development is still quite innocent of politics.
Alexis de Tocqueville’s exploration of democracy initiated a tradition of scholarship that speaks to Alexander Hamilton’s question: Are societies capable of “establishing good government from reflection and choice” or must they “depend for their political constitutions on accident and force”? Tocqueville’s themes—local liberty, equality of conditions, self-interest rightly understood, civic associations, the role of religion in democracies, centralization, and administration—have inspired many.

But few have responded to Tocqueville’s call with the flourish of Elinor and Vincent Ostrom. In 1973, they founded the workshop on political theory and policy analysis at the Indiana University Bloomington, which explored Tocquevillian themes through what they called Tocquevillian analytics.

A recent book edited by Jayme Lemke and Vlad Tarko—Elinor Ostrom and the Bloomington School: Building a New Approach to Policy and the Social Sciences—reviews the scholarship of this enterprise. The book places them in conversation with certain other traditions: the foundational influence of the public choice perspective of James Buchanan and Gordon Tullock (Chapter 2); the interactions with and differences from other New Institutional Economics research, especially that of Douglass North, Oliver Williamson and Ronald Coase (Chapter 3); and the potential to learn from and inform new economic sociology of Mark Granovetter and Richard Swedberg (Chapter 5).

The book highlights certain methodological innovations of the Bloomington School: Elinor Ostrom’s work to expand the notion of rationality in the rational choices model (Chapter 4); the ideas that the Bloomington School developed on the social context of knowledge—especially the role of language, shared understanding, and institutions (Chapter 6); and so on.
The book also gives an overview of the workshop’s insights on a variety of topics: community-based management of common-pool resources as an alternative to state control and privatization and the lessons these experiences offer for contemporary environmental issues (Chapter 7); the problems of central planning and economic calculation, what it takes for individuals and groups to coordinate actions for generating collective benefits, and how a political system can collect and process information about what the citizens need (Chapter 8); the field of public administration, and how a political economy perspective can reduce the tendency to think in terms of bureaucratization and centralisation (Chapter 9); the working of polycentric, federal political systems and how the institutional analysis approach—pioneered by the school—can help understand such systems (Chapter 10).

The Ostroms built a tradition of instruction and scholarship that lives on after they have passed away. Like the work of the workshop, the book is full of insights. To give a flavour of both, here are four points from this book about the workshop.

First, the Ostroms’ approach to research involved asking important questions in a variety of areas and exploring the answers over decades. They studied formal and informal political systems, public administration systems, community-based mechanisms, and more. They studied the social and psychological foundations of economic and political institutions. Because of their wide-ranging research agenda, they were able to bring insights from various domains together. For instance, their research on collective action mechanisms in a variety of common property domains yielded broad principles that seemed to explain the successes (and failures) of these mechanisms.

Second, while the Ostroms followed the public choice theorists in taking a clear-eyed, unromantic view of collective action, they enriched this approach in important ways. They worked on the peripheries of the earlier public choice tradition rather than its core, which was about applying a somewhat narrow economic reasoning to nonmarket decisions. For instance, Elinor Ostrom argued that a broader conception of rationality—which considers generosity, fairness, and group identity—understands real-life collective action choices better in certain contexts. She wrote: “Humans have a more complex motivational structure and more capability to solve social dilemmas than posited in earlier rational choice theory.” Similarly, their evaluative criteria for institutions considered variables beyond efficiency and productivity. They recognised that “more than economic efficiency is needed for the successful management of at least some public economies, especially over the long term.”

Third, since they built and revised their theories and models from real world observations, their theories allowed for dynamic changes. Their approach is encapsulated by Elinor Ostrom’s law—what works in practice can also work in theory. In an attempt to understand why actual management of common property resources often does not devolve into the tragedy of the commons that Garrett Hardin famously theorised, Elinor Ostrom showed that Hardin’s theory is based only on analysis of operational-choice rules but doesn’t consider the collective-choice rules that shape the operational rules. Nor does it consider the constitutional-choice rules that shape the collective-choice rules. In practice, under certain
conditions, the collective-choice and constitutional-choice rules could shape operational rules that did not lead to the tragedy of commons. As Elinor Ostrom argued elsewhere: “Such systems look terribly messy and hard to understand. The scholars’ love of tidiness needs to be resisted.”

Fourth, they were cautious to emphasize that even their core ideas and findings should not be treated as “blueprints” for success. Polycentricity in governance, for example, is not a structural panacea that necessarily promotes positive outcomes. Instead, it is the “ability of citizens to organize and rearrange the structure in multiple governing authorities that communicate, cooperate, and resolve resulting conflicts specific to a variety of local conditions.” There is no suitable decision rule applicable to all collective action situations. And while institutional design matters, it is constructive actions by citizens, especially public entrepreneurs and leaders, that leads to good outcomes.

In her Nobel Prize speech, Elinor Ostrom presented a vision: “A core goal of public policy should be to facilitate the development of institutions that bring out the best in humans.” As the Ostroms’ work shows, there is no shortcut to realise this optimistic vision. Interestingly, many systems of sustainable local self-governance of common property resources they studied are in South Asia. In the Tocquevillian perspective, these are among the roots of our democracy, warts and all. As citizens, we should engage with the Ostroms’ work to reflect carefully on modes of collective action in a democracy, so that we can choose better. This book shows that the Ostroms worked with such a mission to, in Tocqueville’s words, “educate democracy…to revive its beliefs; to purify its mores; to regulate its impulses; to substitute, little by little, knowledge of affairs for inexperience and understanding of true interests for blind instincts.”
Collective action in pursuit of the common good is among the most profound puzzles of social sciences. We see it in practice, but in theory, such action should be undermined by the “free rider problem”, as one can benefit from others’ efforts without incurring the costs. But what if the efforts do not feel like costs? What if there is, as Albert Hirschman put it, “a turning of what is normally sensed as a cost that is to be shirked into a benefit, a rewarding experience, and a ‘happiness of pursuit’ in which one simply must share”? Hirschman argued that successful movements achieve this fundamental mutation.

In his prodigious writings over six decades, Hirschman produced many such ideas and insights. His work has informed and inspired research in economics, political science, political theory, sociology, social psychology, history, and other areas. It is not easy to take a comprehensive view of such a fertile and eclectic mind without losing the thread. Michele Alacevich’s intellectual biography of Hirschman, which was published in 2021, achieves this feat.

A worthy companion to Jeremy Adelman’s wonderful biography of Hirschman, the book takes us on a journey from Hirschman’s formative years to his final years, focusing primarily on the development of his ideas. Alacevich finds in Hirschman’s contributions “an intellectual trajectory of startling imagination and profound coherence.” While those who have read Hirschman know the brilliance of his imagination, Alacevich brings out the coherence in his body of work.

While shedding light on the life experiences, persons, institutions, voluntary efforts, and other influences on his intellectual life, the book does not burden itself with explaining away the sources of ideas. It only suggests why Hirschman came to work on a problem and how he proceeded to work on it.
The book puts special emphasis on Hirschman’s formative years, growing up in an assimilated Jewish family, getting the best of the Gymnasium education—with its spirit of cosmopolitanism and tolerance, intellectual rigour, and a commitment to classical studies—being forced to leave due to the rise of Nazism, having the studies repeatedly disrupted by the “world”, and so on.

The book also pays attention to how Hirschman’s character and the choices he made shaped his intellectual life. He fought in the international brigades that supported the Spanish Republic, worked as a key problem solver in an illegal operation in France to help Jewish and leftist refugees flee Europe after the Blitzkrieg, served in the Office of Strategic Services (the predecessor of CIA) during the second world war, and lived and worked in Colombia with his family during La Violencia. Alacevich quotes Hirschman, “When I felt that there was the possibility of doing something I seized the opportunity.”

Hirschman’s distillation of experiences during the world war seems to have made him sceptical of simple ideologies and straightforward prescriptions. His brother-in-law Eugenio Colorni’s mentorship of Hirschman played a crucial role in this. As Hirschman put it, Colorni and his friends had set out to “prove Hamlet wrong: they were intent on showing that doubt could motivate action instead of undermining and enervating it.”

This doubt and openness can be seen in his work and in the many debates Hirschman had with others. On most occasions, his responses were thoughtful. He was also open to updating his ideas based on new information. He tended to revise and improve upon his ideas for years after initial publication. He also had a propensity for “self-subversion”—providing the counterargument to his own arguments.

This openness went along with his commitment to reform. He disliked certainties of conservatives and revolutionaries. He had a progressive reformist outlook that focused on specific ideas and opportunities for improvements. These values underpinned his commitment to democratic dialogue and participation. As he wrote, “This sort of combination of participation in public affairs with intellectual openness seems to me the ideal micro-foundation of a democratic politics.”

These values can be seen in Hirschman’s work on development. In the 1950s, he was an early dissenter against comprehensive planning. He found the technocratic emphasis on comprehensive planning to be simplistic and undemocratic.

His understanding of democratic processes also made him somewhat sanguine about social conflicts. His view was that conflicts in pluralistic market societies are often on issues for which a compromise can be found. This kind of conflict is likely to contribute to forming the community spirit that a democratic market society needs. Hirschman argued that trying to quiet down conflicts by invoking community spirit is like deploying a deus ex machina. He suggested: “What is actually required to make progress with the novel problems a society encounters on its road is political entrepreneurship, imagination, patience here, impatience there, and other varieties of virtù and fortuna.”
Perhaps because of these values, Hirschman was also sometimes critical of the role of intellectuals in democratic societies. Writing about the rise of authoritarian governments in Latin America following years of economic development, Hirschman argued that the intellectuals may have enabled this by exaggerating the scale and nature of the problems in the economy. As he put it: “…ideological escalation may well have contributed to that pervasive sense of being in a desperate predicament which is a precondition for radical regime change.”

Social theorists tend to emphasize certain aspects of reality while leaving others out. Hirschman was adept at harnessing the problems that arise from this polemical nature of social thought by illuminating, through his occasional dissents against prevailing orthodoxies, certain aspects of reality that were left out by a dominant theory. But, as Alacevich demonstrates, he was no contrarian. He dissented only when it seemed to him that what was being left out was necessary for successful social action. Alacevich’s book provides the context that is crucial to understand Hirschman’s dissents.

His ability to see important omissions in worldviews enabled Hirschman to synthesize different theories into more context-specific explanations. For instance, he argued that, depending on the context, different theories of the social effects of capitalism could co-exist. Commercial transactions can help develop norms of trust and reliability and a pervasive element of calculation and instrumental reason. So, Hirschman argued, the moral basis of capitalist society can be seen as “constantly depleted and replenished at the same time,” and the right balance is a movable and unstable target. Alacevich suggests that this indeterminacy was an important aspect of Hirschman’s analysis. He quotes Hirschman—“After so many failed prophecies, is it not in the interest of social science to embrace complexity, be it at some sacrifice of its claim to predictive power?”

This indeterminacy is also associated with Hirschman’s approach to history. He avoided deterministic arguments about path dependence. His reading of history showed him that major changes can happen unexpectedly. This tied in with his commitment for reform. He believed that reform is usually possible, even if it does not seem probable. This “possibilism” gave a special place to imagination and choice. In his first book, he quoted Paul Valery, “Peace is a virtual, mute, continuous victory of the possible forces over the probable appetites.”

Similarly, his brand of theorizing was, Alacevich writes, “not aimed at producing tight and imposing laws of social change, but at building middle-range models, abstract enough to isolate specific elements and show their explanatory potential, but not so particularistic as to abdicate their analytical role.” 19 His theories are “interpretive lenses that can help us make sense of historical processes, but they need to be fed with historical material to be of any use. Contextualization is fundamental to using Hirschman’s analyses properly.” Hirschman insisted, for instance, that the two basic functions activated through a process of economic growth—an accumulation function that enables growth but unbalances society, and a reform function that moderates growth but rebalances social disequilibria through some
redistribution—must be paced appropriately. This requires context-specific judgement, something that countries like China, India and South Africa have struggled with in recent years.

Right from his first book, Hirschman trespassed on disciplines and methodologies. But this was done well enough to attract serious engagement by scholars in the disciplines in which he was trespassing. Although he had excellent command over statistical methods, he preferred using case studies to draw out insights. He also often preferred analyzing the development of ideas endogenously, without due regard to exogenous factors. Due to these methodological preferences and because he often shared tentative ideas, some of his works came under criticism for being one-sided. His otherwise insightful books *Development Projects Observed* and *The Rhetoric of Reaction* were criticized for being too one-sided.

Cass Sunstein described Hirschman as a behavioural economist because of his work on the psychology of project design and management. Hirschman’s emphasis on the role of decisionmaking structures and his de-emphasis on the traditional bottlenecks relating to the factors of production also anticipated some of the explanations of new institutional economics. For instance, Douglass North’s emphasis on the adaptive efficiency of societies—“the ability to flexibly adjust in the face of shocks and evolve institutions that effectively deal with an altered “reality”—echoes Hirschman’s emphasis on decisionmaking as the key constraint for development.

Alacevich’s book does justice to Hirschman by bringing out the subtlety, complexity, and coherence of his thought and by critiquing his work wherever appropriate. The book is worth reading not just to understand Hirschman’s intellectual life but also for a reminder of many ideas and insights that continue to be relevant for those who seek to understand the world before trying to change it.
From the Bihar caste census to the electoral bonds case in the Supreme Court to the pollution in Delhi, issues involving principles of justice are being debated every day against the canvas of our democracy. But these debates are usually conducted with such factional bickering that it is easy to lose sight of the principles at stake. However, since a polity is made of people and not principles, this is the way justice is typically debated—the bickering is partly due to fundamental disagreements that are settled through political contestation. But are there principles of justice that we could all agree on? More importantly, how might we come to such an agreement?

In *Free and Equal: What Would a Fair Society Look Like?*, economist and philosopher Daniel Chandler suggests that the American philosopher John Rawls’s theory of justice and the procedure he adopted for arriving at the theory could serve as the basis for discussions on justice among free and equal citizens. The book is divided into two parts across eight chapters. The first part, consisting of the first three chapters, gives an outline of the principles of Rawls’s theory of justice (chapter 1), explains how these principles could be developed using the procedure that Rawls proposed (chapter 2), and puts up a reasoned defense of these principles against certain critics (chapter 3). Anyone can read these chapters anywhere at any time and find something of use. Chandler does an excellent job of both introducing the theory and defending it. The remaining chapters present a list of reform ideas that he proposes based on Rawls’s theory of justice.
The Principles and Procedure of Rawls’s Theory

Since the book seems to be aimed at informing reform of institutions, Chandler’s focus is on the principles that comprise Rawls’s theory. But he follows Rawls in emphasizing that the procedure through which the theory is developed is also important. It is possible that the procedure may lead to slightly different details in the theory of justice when applied by different people.

For Rawls, the point of departure for building a theory of justice was that citizens will have different “comprehensive doctrines”—their views of the good life based on religion and morality—and different objectives that they pursue in their lives. Rawls believed that a theory of justice should allow for various such conceptions, and it should include certain basic principles to inform the design of political and economic institutions that everyone can agree on, irrespective of their religious or moral beliefs.

Rawls’s procedure for arriving at the principles of justice involves adopting what he called the “original position,” which is a thought experiment. The key to the original position is to consider the principles of justice from behind a “veil of ignorance” about our specific identities, as if we don’t know where in society we would land up—with respect to our income, gender, religion, caste, talents and skills, ideologies, generation in history, and so on. All we are supposed to know in this original position are: general facts about human life and conclusions about how the world works; the assumption that citizens have different comprehensive doctrines and objectives, but everyone has an interest in certain primary goods (Chandler identifies three categories—income and wealth, economic power and control, and opportunities for self-respect); and that we live in a society of moderate scarcity with not enough to fulfil everyone’s wants.

The basic idea is that to arrive at principles that everyone can accept, we must think from a position where no one knows what their values and interests are in order to preclude self-serving reasoning. According to Chandler, “a fair agreement can only be reached under fair conditions,” and the point of this thought experiment is “define an ideally fair hypothetical situation in which we can imagine citizens coming to such an agreement.” The social contract tradition of thinking typically involves some such procedure to arrive at what could be commonly accepted principles.

Chandler explains that according to Rawls, from such a position, one could arrive at two principles of “justice as fairness,” which can, in his view, resolve the conflicts between freedom and equality. The first principle focuses on liberty, stating that each person equally has certain basic personal, political, and procedural liberties, to the extent that having these liberties does not conflict with everyone else enjoying them as well. Rawls identified certain equal basic liberties: political liberty (the right to vote and hold public office), freedom of speech and assembly, liberty of conscience and freedom of thought, freedom of the person (freedom from psychological oppression and physical assault and dismemberment), the right to hold personal property, and freedom from arbitrary arrest and seizure. Societies
are increasingly moving in the direction of accepting these, which is not the case with the second one.

The second principle, which is about equality and fraternity, is given in two parts. The first part states that inequalities are to be attached to positions and offices open to all under conditions of “fair equality of opportunity,” which Rawls distinguished from “formal equality of opportunity.” The latter concerns itself only with formally opening opportunities to anyone who is qualified, but the former calls for addressing the upstream social and economic conditions in which people build capabilities. The second part is the “difference principle,” which states that any inequalities should only be justified because they maximize the life chances of the least advantaged members of society, subject to the “just savings principle,” which states that we have a duty to maintain the material wealth and vital ecosystems on which society depends. So, there is an egalitarianism toward the least well-off and toward the future generations. When Rawls writes about inequalities, he is concerned with not just income and wealth but also economic power and control, as well as self-respect and social recognition. Chandler writes that Rawls saw the difference principle as an expression of fraternity in a society because it builds on a commitment to reciprocity. This is a key philosophical difference from the egalitarian principles that are justified based on the sole concern for equality.

Rawls proposed the following order of priority for these principles: 1) basic equal liberties, 2) fair equality of opportunity, and 3) the difference principle, subject to the just savings principle.

**Defending Rawls**

Liberal theories of justice are usually theories of constraints on power, while egalitarian theories usually pertain to powers to constrain. Rawls’s theory combines these in a “liberal egalitarian” theory that constrains the use of state power to infringe upon basic liberties while justifying the use of state power to constrain the citizens to promote certain egalitarian ideals. His egalitarianism is expansive in scope but of moderate depth—though it includes not just the ones who are least well-off now but also all future generations, it doesn’t seek to create a perfectly equal society. Anyone trying to theoretically reconcile values that in theory and in practice have been in conflict is liable to attract criticism from those who resist such reconciliation. The attempt to reconcile requires changing the procedure of reasoning, which can come under attack. Further, a theory of what a just society would look like is always an easy target for arguments pertaining to “realism.”

In the third chapter, Chandler defends Rawls’s theory of justice against four sets of critics—libertarians, socialists, communitarians, and realists. He picks a few key thinkers and their criticisms as examples. For instance, he cites Robert Nozick as the key libertarian critic of Rawls. Nozick argued that Rawls’s theory allows for excessive infringement of property rights that he considered natural and absolute and even questioned the idea that justice should be about trying to bring about a fairer or more equal distribution of resources.
Chandler’s main counter is that economic freedoms are not “all or nothing,” and we can choose a system in which some property rights are respected, but at the same time, some intervention is allowed in the interest of fairness.

The “socialist” critiques of Rawls’s theory are that it would not promote sufficient equality. His ordering of principles has often attracted criticisms from the left. Chandler argues that this prioritization makes sense because the liberties that Rawls’s first principle supports are very basic. For instance, the property rights in this principle pertain only to limited personal property and not all property. So, this ordering would allow for redistribution or even more fundamental interventions under the second principle. He also explains how fair equality of opportunity along with the difference principle might be better than the principles advocated by socialists, especially in the Marxist tradition. He calls for understanding the important role that markets play and being open to certain forms of private ownership of firms and materials in the interest of both efficiency and equity.

On criticism from a communitarian perspective, Chandler cites the argument that Rawls’s theory of justice elevates personal choice, leading to an excessively individualistic culture that is responsible, in part, for “social problems ranging from the decline of civic and religious associations to an epidemic of loneliness.” Chandler’s counter to these criticisms is fundamental—he argues that it is unfair to apply them to Rawls’s theory, which is “grounded in an idea of reciprocity rather than self-interest.” He suggests that the communitarian criticism is due to a confusion about the interpretation of the original position, which, Chandler argues, is not “grounded in empirical claims about human psychology but in moral claims about the kinds of reasons that are relevant when it comes to selecting such principles.”

Among the “realists,” Chandler cites Raymond Geuss and Amartya Sen, both of whom argued in their own ways that Rawls focuses entirely on what an ideally fair society would look like but not on how justice should be promoted in the societies we live in. While Chandler accepts these arguments, he argues that this is not a weakness of Rawls’s ideas but a conscious choice made by Rawls. He suggests that “we need to combine them with a realistic theory of change and with a political strategy tailored to our circumstances here and now.” Rawls’s “ideal theory” was always meant to be, Chandler suggests, a precursor to “non-ideal theory”—“one that asks how this long-term goal might be achieved, or worked towards, usually in gradual steps.”

Although he makes these counterarguments against criticisms of Rawls’s theory, Chandler accepts, citing Rawls, that the ultimate test of any theory of justice is the lived experience of people whom the institutions designed on the theory serve. So, there are limits to philosophical arguments in settling these debates.
Rawls and the “Real World”

Many ideas about institutions that at one time seemed unrealistic have become widely accepted and have come to define the social contract that underpins the structure and working of public institutions. It is human beings that make the political, social, and economic institutions. While we do need to accept the limits of our reason, consider certain basic facts about human life, and understand what paths are historically feasible, there is little that is truly permanent about these institutions. So, we should be open to discussing the principles underpinning the institutions and what reform ideas may flow from the principles. What should this discussion consider? While the acceptance of the principles is substantially linked to the promotion of the reform ideas, even those who accept the principles philosophically may need to consider the world they live in before implementing them.

Rawls accepted that his theory does not translate into clear policy prescriptions because practical knowledge is essential for the latter. The scope of Rawls’s theory partly defines its relationship with the real world. Rawls’s is a theory of justice for a nation-state, which means that it does not directly address local justice within families and communities and global justice among the nation-states. The principles of justice adopted by a nation-state will have some bearing on both local as well as global justice. Similarly, the realities of local justice and global justice will also affect justice in a nation-state. For instance, the difference principle suggests that we should choose an economic system that maximizes the life chances of the least advantaged in the country, even if it means that the aggregate (or average) performance is lower than in other systems. In the present global order, the countries that face much richer adversaries may find it difficult to follow this principle, as the necessity of improving national capability—to the extent that is associated with the aggregate performance—may override the moral imperative of Rawls’s theory.

In the book, Chandler’s discussion on reforms is situated in developed countries that he is most familiar with, and mostly draws evidence and examples from developed countries. Chandler goes straight from a theory of justice to reform ideas without addressing the intervening politics. He does explain that this is because these principles are supposed to transcend “ordinary politics.” Chandler writes that we should distinguish between “ordinary democratic politics” and “constitutional politics,” with the former being the subject of majority rule and therefore always open to change, while the latter concerns the most fundamental freedoms. The principles in Rawls’s theory of justice are mainly meant to inform constitutional politics.

Even constitutions are developed and sustained through political processes. There is no fully Rawlsian constitutional republic, but some such principles have been enshrined in the constitutions at certain moments (or critical junctures) when a temporary, near-consensus on these principles was achieved. For instance, such a consensus can sometimes be reached at the moments of founding through a constituent assembly process that forces the leaders to get close to the original position and support ideas that would in principle be acceptable to
everyone. After this, sustaining the constitutional order is less about widespread support for it and more about avoiding widespread opposition to it. Given the procedures laid down in most constitutions, once the game of ordinary politics is afoot, it becomes difficult to change the constitutional settlement. So, even a moment of consensus can have long-lasting effects. However, depending on the design of the institutions, a growing gap between public opinion and constitutional principles may create difficulties in the de facto working of the constitution. It would only be a matter of time before a re-founding of the constitutional order happens, perhaps initially through executive decisions and eventually through real legislative acts. So, there is a need for some public support for constitutional principles because the society has a latent but fundamental normative power in a nation-state.

A paradox of Rawlsian liberalism is that it is most useful in societies with a diversity of religious and moral positions involving fundamental differences, but its implementation is also most difficult in such societies—the diversity in question makes it harder for most to think of justice from an original position. To achieve acceptance of these ideas, a key question we must consider is: Would this theory be equally neutral toward all major comprehensive doctrines that exist in society, or does it tilt toward some of them?

Rawls distinguished between liberalism as a comprehensive doctrine of the good life, which privileges individual autonomy and personal choice above other considerations, and liberalism as a constitutional doctrine that allows for different comprehensive doctrines to coexist. So, in theory, a society where people who subscribe to different comprehensive doctrines coexist can benefit from a liberal constitutional framework. However, in practice, the constitutional institutions favor liberalism as a comprehensive doctrine without going through the ordinary democratic politics, people who do not subscribe to liberalism as a comprehensive doctrine would suspect that the Rawlsian institutions are a step toward a society built entirely on the tenets of liberalism as a comprehensive doctrine. This could risk the legitimacy of the political project.

Consider religions and other social groups that want freedom to regulate their members. Since the basic logic of group formation involves giving up some personal liberties in exchange for membership of the group, all groups face free-rider problems. By coming between these groups and their members, the state can limit such groups’ freedom to regulate their members. This is acceptable to the extent equal basic liberties are involved but if such intervention is based on liberalism as a comprehensive doctrine, it would be an overreach.

Another tendency of Rawlsian politics that makes it difficult to accept, especially for conservatives, is that it seeks to move issues like drugs, pornography, euthanasia, and so on from the realm of social choice to the realm of personal choice. Conservatives often see this move as tantamount to social acceptance. Further, this move makes it more difficult to regulate some of these activities. For instance, in today’s technological era, what chance do families have of regulating access to pornography once it has been moved to the realm of personal choice?
Chandler suggests that while Rawls has been extremely influential in academia, his influence on real-world politics has been quite small. While this may be true of electoral politics, this is only half of the picture. Rawls is often directly or indirectly cited in the higher judiciary, and since higher courts are increasingly playing a role in shaping norms, Rawls’s influence is not small. But the judicial forum is limiting when it comes to creating widespread acceptance for these ideas. Debates around these principles and their application to specific cases, especially when multiple principles are in conflict, need to be much more open and involve a larger number of people.

Chandler’s book is an invitation to think carefully about these questions, but it should be complemented with serious engagement with a variety of comprehensive doctrines so that one can think about how a liberal constitutional order that is acceptable to other reasonable and decent doctrines can be built and sustained.
ESSAY 8

Michèle Lamont on the Politics of Recognition

Suyash Rai | October 19, 2023

On October 17, the Indian Supreme Court issued a judgment in a case where the petitioners had asked the court to recognize same-sex marriage. While recognizing the importance of the petitioners’ cause and underlining the government’s responsibility in ensuring that those in such relationships do not face discrimination by the state, the court declined to grant legal recognition to such marriages. The majority opinion also disallowed civil unions and the adoption of children. They argued that these are matters for the Parliament to decide.

Until recently, the stigma against such relationships was encoded into the law, as homosexuality was criminalized under Section 377 of the Indian Penal Code. The provision was struck down in 2009, reinstated in 2013, and finally struck down again in 2018. Once the stigma was removed from the books of the law, the journey toward the legal recognition of such relationships began. Those involved in this effort seem to have believed that the court would again side with the petitioners’ cause.

In India, those seeking rights that are not yet recognized by the law have often preferred approaching the higher judiciary for their cause. This is not surprising because doing so is perhaps the shortest route available for most such causes. However, implicit in this approach is the assumption that the matter lies within the domain of the judiciary. It is not easy to tell where the boundaries are. From reading new rights into the constitution, such as the right to privacy, to declaring transgender people as the “third gender,” the courts have indeed obliged in several such cases. Not this time, though. The petitioners and their supporters obviously disagree, but this is where the matter stands.
A Broader Politics of Recognition

A recent book, albeit situated in an entirely different context, can put this and other such issues in perspective. In Seeing Others: How Recognition Works—and How It Can Heal a Divided World” Harvard University’s Michèle Lamont considers how efforts to improve recognition for hitherto marginalized groups are working in Western societies, especially the United States. Written from a sociological perspective, the book is mainly based on Lamont’s work on the politics of recognition and interviews with many activists, thinkers, creative people, students, and other young people. The main challenge the book is focused on is bridging “recognition gaps”—the gap between the sense of dignity and worth held by an individual or a group and the recognition that society grants. This gap can have a significant impact on one’s overall well-being.

Lamont lists three avenues for building recognition: through political activism and the law, through culture and media, and through our own interpersonal experiences and networks. Lamont observes that significant progress has been accomplished in improving recognition for some marginalized groups in the United States, “not only through political and legal means, but also through changes in the culture and in ordinary people’s lives.” Such efforts “were about challenging stereotypes, being heard and seen, and expanding constricting roles.” The way she sees it, the “top-down and bottom-up strategies complement one another.”

Lamont suggests that changes in broader cultural narratives are essential for producing lasting legal and political change. For instance, the 2015 U.S. Supreme Court decision, which accorded national recognition to same-sex marriage, came after decades of state-level lawmaking had recognized such marriages in more than 70 percent of the states and shifts in the public perception of such relationships had been achieved. In 1973, 90 percent of Americans disapproved of homosexual relations, but by 2019, that number had fallen to 21 percent. Often, courts ride the wave of changing public opinion. Once they issue the judgement, it becomes the landmark that defines the change, making invisible the underlying shifts that made it possible.

This is a difficult message for those pursuing recognition, especially when said recognition is central to their ability to flourish as human beings. From their perspective, they should have a “right” to recognition that does not depend on what others in society may think. However, when faced with a situation where a longer legislative route is the only one available, it is worth paying attention to this message. At some point, we all—some more often and more intensely than others—are reminded that politics is more difficult than we would like. A broad-based politics of recognition is also important because people are usually not just seeking legal recognition but also understanding from others in society. As Hegel wrote in The Phenomenology of Spirit*, our self-consciousness depends on the self-consciousness of others, such that our awareness of ourselves is shaped by the recognition of those around us.
The Strategies for Recognition

Most of Lamont’s book is about strategies for bringing about the changes that are upstream of political and legal reforms. She focuses on three key elements of the process to change the cultural discourse about who gets recognized and who doesn’t.

First, she suggests that “new narratives” are needed to “support positive representations of all groups.” Such narratives are important because exclusion flows from other narratives that deny recognition to some groups. One of the examples she gives is how stigma around HIV-positive people was reduced by first changing the narrative from one linking the condition to certain lifestyles to one treating it as a medical condition that could afflict anyone.

Second, she gives many examples of “change agents” and organizations that shape and promote these narratives in a society. These include artists, activists, experts, academics, and others who contribute to changing the narrative in their own ways. In this regard, people in media, entertainment, and politics have an important role to play because they can amplify such narratives like few others.

Finally, “recognition chains,” which are networks of change agents and organizations that scale up and disseminate messages of recognition, help amplify and mainstream the new narrative. Without the emergence of such networks, new narratives would not get mainstreamed. Overall, the social process that Lamont describes involves creating and spreading new narratives through recognition chains of change agents so that the narratives become accepted by many people in the society.

Lamont also writes about how each person looking to expand the sphere of recognition to include more groups can contribute by making more inclusive choices in their own lives—from the people they befriend, to the narratives they tell their children, to the approach they take to desegregating their own neighborhoods. Citing the work of Lily Geismer, she gives an example of her own neighborhood—the Boston metropolitan area—where “upper-middle-class neighborhoods have remained racially homogeneous for decades despite the professed progressivism of those who live there.” In other words, talk is cheap, but making progress toward a more inclusive society will take more than just saying the right things and making small donations to causes. It will require making substantively different choices in the way we live. For new narratives to be accepted, it is important that many of those who already enjoy recognition accept them.

An important premise for Lamont’s work has been that thinking about dignity requires a broader approach than one that focuses only on economic well-being. This approach should consider a variety of ways in which people can be recognized as valued members of society. Throughout the book, she uses the “American dream,” with its emphasis on individualism and material success, as a dominant myth that needs to be countered. While not entirely opposed to the values underpinning this myth, Lamont suggests that these values lead to the marginalization of those who do not succeed in ways privileged by this myth and also
put the blame for this on their own conduct while downplaying the role of social factors. So, Lamont’s suggested approach to the politics of recognition is meant to reduce the emphasis given to individualism and material success while also complicating the explanations for success. She recommends expanding the criteria for recognition to include solidarity, empathy, a sense of belonging, and other considerations. Lamont argues that choosing between economic inequality and recognition is not an either-or question—both economic well-being and social recognition are important for a life of dignity.

Lamont critiques purely individualistic, legalistic, and deterministic approaches to the politics of recognition. First, she critiques those who focus only on personal grit to overcome the challenges of recognition. She argues that such an approach underestimates the role played by social factors, such as the material conditions and the narratives of recognition. Second, as discussed earlier, she suggests that relying mainly on top-down approaches for bringing recognition through the law may not work and may even create backlash that would undo the gains. Third, she rejects the deterministic view on tribalism put forth by some people that humans have “a permanent and innate tendency to hoard resources in favor of our ingroup members.” She argues that polarization is not just driven by cognitive factors but also by external ones, such as levels of unemployment, economic competition, economic inequality, and electoral rules. So, whether a group considers itself in opposition to another group and the sense of “groupness” it experiences are driven by social factors that can vary or may be changed. Lamont suggests relying on narratives that build on “ordinary universalism,” which focuses on commonality rather than differences, to de-emphasize distinctions between groups.

The Perils and Paranoias of Contemporary Politics of Recognition

While full of interesting insights and inspirations, the book is not without flaws. Lamont’s earnest commitment to the cause of expanding the sphere of recognition comes through, but many of the perils and paranoias of the contemporary politics of recognition can be seen in the book.

For one, Lamont seems to accept every quest for recognition as equally worthy. By presenting activism for the recognition of racial equality in the same way as discussing the quest to recognize the subculture of sadomasochism, Lamont seems to avoid the difficulty of distinguishing between different kinds of efforts for recognition. For instance, there is arguably a difference between groups being denied recognition based on, say, race or gender and those being judged based on lifestyle choices. Perhaps those involved in these efforts would not agree, but this agreement is not the only consideration while studying a large number of efforts for recognition.

The book also gives a one-sided treatment of many issues that in fact deserve a multifaceted engagement. These include, among others, the process of economic change, the meaning of cultural artifacts such as movies and television shows, and the nature of contemporary activism for recognition.
In writing about rising inequality in the United States, Lamont seems to paint a rosy picture about the pre-Reagan era and a bleak one about the impact of the Reagan era. While policy shifts during the Reagan era, which had their own history in the excesses of the preceding era, may have played a role in the rising inequalities, it is also important to consider the technological changes and financialization of the economy that contributed to this phenomenon. Further, for a discussion on recognition, it is more important to consider the nuances of how economic mobility has changed. For instance, for the United States, Raj Chetty’s work shows that economic mobility varies a lot depending on the neighborhood, with some areas enjoying very high mobility and others being as bad on the measure as many developing countries. It also shows that high-opportunity places share certain qualities—good schools, greater levels of social cohesion, many two-parent families, low levels of income inequality, and minimal residential segregation by either class or race.

While Lamont gives many fine examples of how movies and television shows helped change the narrative and improve recognition for certain groups, her interpretation of some of the cultural artifacts seems simplistic. For instance, she cites The Simpsons and its depiction of Homer Simpson as a “bumbling idiot” as an example of how TV shows marginalize the working-class experience. This is a very simplistic understanding of how the character has been represented and misses something essential about the show. In many ways, the show also represents the solidarity, community, and sense of belonging that Lamont advocates for. Selective reading of cultural artifacts with an ideological lens is common among those engaged in the politics of recognition. By doing this, they often deny the polyvocal form and polysemous nature of many of these artifacts. This is one of the reasons why the politics of recognition is often at the risk of becoming a boring and hectoring kind of politics instead of rooting itself in the joys of fraternity and equality.

Lamont also seems highly reverent toward all the activists she quotes and cites, as well as the tactics they deploy in their respective pursuits. She defines the term “woke” as describing someone who is “attentive to subtle forms of discrimination and injustice” and blames conservatives for unmooring it from its original meaning by dubbing it as “cancel culture” that is intolerant, elitist, and a threat to free speech rights. While there is some truth to her assertion that those opposed to such activism might be exaggerating its problems, it is also important to critically analyze the tactics that are deployed by the activists. There is a tendency among some of the activists to draw quick and simple “friend versus enemy” distinctions and then go after the proclaimed “enemy.” It would have been useful to see a more nuanced sociological analysis of this type of activism, which has become quite prominent in the United States in recent years, but the book mostly presents brief hagiographic accounts of the activists associated with it.
C. S. Lewis once wrote, “We must picture Hell as a state where everyone is perpetually concerned about his own dignity and advancement, where everyone has a grievance, and where everyone lives the deadly serious passions of envy, self-importance, and resentment.”

One wonders if the pursuit of recognition could send our societies down spirals of endless resentment, as each successful effort to achieve recognition gives rise to new demands and resentments. However, such pursuits of social progress are like climbing a mountain. We are making progress until we reach the top, but if we keep going, we risk sliding down. So, while the politics of recognition could go too far, that is no reason to avoid pursuing it.

We human beings are usually limited in our perception. We see what we want to see and hear what we want to hear, unless we are persuaded or made to do otherwise. Our commitments are mostly to those close to us, especially those we like. Still, the world has become much more just in many ways. It is worth considering how this came about. In its insights and its limitations, Lamont’s book can be instructive to those wishing to actively engage in the politics of recognition.
About the Author

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Notes


17. Ibid.


25. *Supriyo @ Supriya Chakraborty v. Union of India*, 2023 INSC 920.


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