

Economic issues in 18th century France

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Part 1 – Economic issues in the 18th century

CD: Good morning Arnault Skornicki, you are a Doctor of Political Science and teach at Paris Nanterre University. You have published a book entitled *L'Economiste, la Cour et la Patrie, L'Economie politique dans la France des Lumières* published by CNRS Editions in 2011. The 18th century, from Louis XIV's death to the Revolution, is marked by recurring economic problems. What are they? How can they be explained? And are they related to the form of government in place?

AS: First, it must be emphasised that the 18th century is a century of economic expansion in Europe and particularly in France, which affects the working classes and has transformed ordinary consumption patterns, with the improvement of material comfort, furniture and access to sustenance. Some historians go so far as to speak of a Consumption Revolution that would have preceded the Industrial Revolution. The development of non-aristocratic luxury, not ostentatious but a luxury of comfort, was spotted by several contemporaneous observers. The so-called “absolute” monarchy has undoubtedly played a role in this economic success by encouraging and protecting manufactures and by guaranteeing a high quality of manufactured products.

This is the positive aspect of Colbertism; we must be careful not to believe that a system of privileges necessarily contradicts economic development. For example, the manufactures inspector's corps could be accused of exercising pernicky control, restraining entrepreneurs' freedom. But it has also helped unifying the national market by establishing common quality standards and guaranteeing the reputation of excellence of the French industry. In this sense, the privileges and corporations of which the monarchy was the guarantor weren't only a handicap to the economy. And contrary to a certain liberal historiography, this system of privileges and corporations would have been a specific avenue of development.

Results are more mixed about agriculture. Nevertheless, increase in yields and productivity is undeniable throughout the 18th century and there aren't any more famines like the ones that could be seen under Louis XIV. On the whole, Enlightenment's France is a major economic force by virtue of its size, soil variety, quality of its industry, extent of its colonial trade and also thanks to its highly qualified engineers and its scientific and technical expertise, as evidenced by the proliferation of learned societies, particularly in the fields of agriculture and traditional arts and crafts, technology and industry.

However, a couple of reservations must be brought up. On the one hand, the economic and political rise of the United Kingdom, which dangerously threatens the formerly dominant economic position of France in Europe. This island nation that is the United Kingdom, or the British Isles, was not only much smaller than France, which it still is, but was also much less populated at the time. The serious defeat of the Seven Years' War, 1756-1763, caused the Kingdom of France to lose most of its overseas colonies to the British and this divested it of a significant resource.

On the other hand, the last quarter of the 18th century sees a certain economic downturn in France: stagnating prices, lower wages, increased unemployment. And above all, the monarchy has never managed to fully address the central economic issue of the Ancient Regime, which I would recall was a massively agricultural economy, namely food crises, recurring famines that periodically provoke

riots. Economic crises, riots and increased inequalities form the background of the pre-revolutionary period.

Part 2 – Emergence of the economic science

CD: The 18th century also sees the appearance of a certain type of scholarly discourse on economics. How to describe and explain the genesis of this economic science and who are its actors?

AS: Indeed, economic science is booming all over Europe and especially in France. It is measurable in the explosion of publications on agriculture, trade, finance, taxation and so on. Another new development, it claims more and more to be a modern science, that is to say a clear and experimental knowledge that could even be calculable, although major disagreements on the epistemological definition of the science still remain among Enlightenment's economists.

Of course, this reflects Europe's very considerable economic growth in the 18th century, which we spoke about. Trade interests are increasingly part of politics, and States are in demand for new economic expertise. The economy is therefore becoming increasingly important in the French government's political agenda, as well as among men of letters and scholars.

But it is not only linked to this economic boom but also to a different type of development, the cultural boom which is the Enlightenment itself. They worked on establishing a "moral and political science", in the words of a contemporaneous physiocrat, a social science inspired by nature sciences, based on observations and simple principles, such as interest.

To name a few important French economists in the first half of the 18th century, we have Boisguilbert, Dutot, Cantillon, and Melon, for example. In the second half of the 18th century, there are outright schools established with a declared scientific ambition. I am thinking of Gournay's group, Vincent de Gournay being a very important member of the economic administration under Louis XV. And I am also thinking of the well-known Physiocrats, under the patronage of Dr. Quesnay.

All this peaks with the appointment of Turgot as Controller-General of Finances. Turgot was close to not only physiocrats but also to Gournay and to the Encyclopaedists, therefore at the heart of the French Enlightenment, and appointed to the general control of finances in 1774 by Louis XVI himself.

Part 3 – Political application of economic theories

CD: These theoreticians of the emerging economic science, does the power listen to them? Does this new science of economics really have any political applications?

AS: It would be an exaggeration to say that Louis XV, Louis XVI or their governments were under the influence of economists. Their social importance cannot be compared to the role that economists currently play in government fields in France and around the world. Firstly, because Ancient Regime's France is an aristocratic society in which men of letters and scholars are most often servants, obliged to the great, at least when they do find a job with them or with the royal administration. Secondly because the royal administration was far from entirely agreeing with the view of physiocrats and Gournay's disciples.

On the other hand, it is quite true that the Enlightenment monarchy experimented with liberalisation and economic policies very innovative at the time, and this twice, first in 1763-64 with unprecedented measures for a free wheat trade, wheat trade being the essential market then, measures concerning not only internal trade but also export, and measures to which several economists participated. The second time was under the ministry of Turgot in 1774-76, with measures of liberalisation of the internal wheat trade and the notorious six edicts, of which the most famous concerns the abolition of the corvée and of corporations.

I would add that Turgot's successor, Necker, although he was very critical of liberalism, was, nonetheless, an economist just like Turgot or the Physiocrats. My last example, du Pont de Nemours, was a prominent physiocrat and a close adviser to one of Louis XVI's key minister at the very end of the Ancient Regime called Calonne, and du Pont worked on an important free trade treaty with the United Kingdom in 1786.

We can therefore rightly consider that political economy has been promoted by the monarchy of the Ancient Regime, the Enlightenment's monarchy, because it offered a pack of new and stimulating solutions to a monarchy in crisis facing recurring problems and recurring contradictions. And the rulers essentially took their pick of what they needed in this pack, with more or less success since they certainly have failed to forestall the Revolution.

CD: Arnault Skornicki, thank you very much for this summary of 18th century economy.

CD: Thank you.