

**The Fountain of Privilege: Political Foundations of Markets in Old Regime
France and England**



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Clarke's work demonstrates the importance of documenting the impact of government regulations over long time spans. As she suggests, what worked from 1930 to 1970, a period of declining farm prices, may not be as useful during a period of unstable prices. America's farmers, politicians, and pundits would reap a huge harvest if they could consult Clarke's insightful book before the nation embarks on a new set of agricultural policies.

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The Fountain of Privilege: Political Foundations of Markets in Old Regime France and England. *By Hilton L. Root* • Berkeley: University of California Press, 1994. xv + 280 pp. Notes and index. \$45.00. ISBN 0-520-08415-2.

Reviewed by Kathleen Kete

Hilton L. Root's subject is the difference between the "smooth" path to modernization taken by England in the eighteenth century and the appreciably rockier one charted by France at the time of the French Revolution. Root looks at France "in an English mirror," comparing himself to eighteenth-century French political economists, who similarly contrasted the two nations in order to highlight particular characteristics of economic organization (p. 241). A central point of comparison is with Barrington Moore, whose influential essay, "Evolution and Revolution in France" (chapter two of *Social Origins of Dictatorship and Democracy* [1966]), showed how the resolution of the seventeenth-century crisis in England and in France shaped the structure of each state's economy. In England the nobles and landed gentry gained power at the expense of the Crown. The peasantry was destroyed as enclosure acts enacted by Parliament gave the landed elite clear title to the land. Commercial agriculture fueled the industrial revolution. In France the nobility was weakened by the crown. The Estates General ceased to meet. The state sold offices (and privileges) to meet its financial obligations (war and munificence). Peasants' rights to land use were protected. Capitalism "seeped into" the French countryside through manorialism. Attempts to modernize along English lines failed because the many beneficiaries of privilege tenaciously defended it.

In *The Fountain of Privilege* Root recasts Moore's Marxist insights into the framework of public choice economists. In post-1688 England, landlords, in control of Parliament, effected a "quiet transformation" of the English countryside, thanks to private Bills of Enclosure. Their newly created great estates were protected in times of depression by grain bounties. Income was transferred "from poor to rich" (p. 51) in political deals "nego-

tiated in pursuit of private economic interests" (p. 11). Root describes Parliament as "a market for rights to control the economy, with the result that users with the highest valued needs were able to buy out those holding traditionally allocated entitlements" (p. 11). Corruption, too, endemic in eighteenth-century England, was a relatively efficient way of redistributing wealth, "since bribe taking shifted resources to those who had the highest-valued capabilities" (p. 11). Open, inclusive, and stable, corruption functioned as an "auction market for rents and political favors" (p. 47) which "increased the liquidity of the social system" (p. 47).

In France, however, redistributive power was centered in the Crown and disbursed by its ministers. Cronyism, "the allocation of rents to elites according to their loyalty to individuals in power" (xii), encompassed privilege and characterized French political economy. Whereas corruption was open to market forces, cronyism was secret, private and guided by "non-market criteria" (p. 47). It was relatively inefficient, since "privilege could not easily be traded" and unstable "because individuals and private relationships rather than institutional reputations were critical in maintaining confidence in contracts" (p. 47). Privilege was the glue which held the French state together, but the system cracked because it could not evolve in the face of English innovation: "The property rights that ensured the regime's social support were . . . a constraint on how much revenue the system ultimately provided and resulted in the king's loss of power; the failure of the Old Regime in France to generate the political markets needed to implement alternative social and economic arrangements underlay the regime's collapse in 1789" (p. 9).

Root argues that political structures are of primary importance in shaping the economy. Belief in free trade had little to do with the British Parliament's opposition to monopolies in Stuart England, "members simply believed that low prices for manufactured goods would allow them to collect higher rents" (p. 12). Similarly, the *laissez-faire* beliefs of the physiocrats (Turgot) were impotent in the French political context. The heart of the book is a refutation of cultural interpretations of the eighteenth-century, especially those implied by the social history of the 1960s and 1970s. Grain riots are to be understood not in terms of a "moral economy" of the crowd pitted against a rational, capitalist business-minded elite, but in terms of a power play between rural and urban areas—low prices help consumers, hurt producers. In England, grain riots were not tolerated because of the rural power base of members of Parliament. In France, they were tolerated, because urban interests were paramount.

Much of *The Fountain of Privilege* is an interrogation of older interpretations of English and French, mostly Marxist, history—Christopher Hill, E. P. Thompson, Rude and Lefebvre. The most valuable section of the book is based on archival research. There, Root explains why the attempt to destroy the guilds in France failed—not because of the corporatist values of the guilds' defenders but because to do so would undercut French finances. Like David Bien, Root shows the extent to which revenue from guilds, often borrowed, in the forms of offices sold and licenses issued, kept the state

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afloat. Turgot's edicts of 1776 were bound to fail because the guilds' debts could not be liquidated. Furthermore, the state could not afford even a temporary disruption of its finances.

Root's book should be read alongside Michael Sonenscher's *Work and Wages: Natural Law, Politics and the Eighteenth-Century French Trades* (1989). Sonenscher, too, aims to understand the French economy without recourse to the "customary world of pre-industrial society." Like Root, Sonenscher is concerned not with "markets, prices, and profits" "and the place they occupied in the institutional life of the polity as a whole." Sonenscher shows how modern the guilds were, *pace* Turgot. But Sonenscher has a broader definition of culture than Root, in which politics and economic practices form a part of culture. Sonenscher can bring his discussion forward through the French Revolution. Root's book is clear and important in detailing how intricately bound up with one another Old Regime politics and economy were but Root's reification of culture and politics places him in a bind. The Revolution appears out of nowhere. As Root says, the financial crisis of the Old Regime forced the Crown to call for help from elites whose understanding of the principles of liberty and equality was in opposition to the principles of absolutism. Absolutism lacked defenders in 1789 and that is the critical point that Root reminds us of. Ideas mattered. The French state declared bankruptcy in 1787, but it was an ideological bankruptcy. Root leaves it to others to bridge the gap between economic theory and democratic culture.

Kathleen Kete is assistant professor of history at Trinity College, Hartford, Conn. She has published in the field of French cultural history. Her most recent publication is The Beast in the Boudoir: Petkeeping in Nineteenth-Century Paris (1994, paperback edition, 1995). At present, she is working on a study of ambition in French culture.