

THE “ETHICS OF COMPETITION” OR THE MORAL FOUNDATIONS OF CONTEMPORARY CAPITALISM

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Prepared for the Workshop
“Moral Foundations of Management Knowledge”
ESSEC Business School, October 13-14th, 2006

A distinctive feature of the contemporary period of globalization is a powerful trend towards marketization in many regions of the world. The term “marketization” refers both to market ideologies and market-oriented reforms. A market ideology reflects the belief that markets are of superior efficiency for the allocation of goods and resources. In its most extreme form, this belief is associated with the commodification of nearly all spheres of human life. Market-oriented reforms are those policies fostering the emergence and development of markets and weakening, in parallel, alternative institutional arrangements. During the last decades of the twentieth century, the dominant market-oriented reform mix has included macroeconomic stabilization, privatization, deregulation, liberalization of foreign trade and liberalization of international capital flows (Simmons et al. 2003). It has often come together, furthermore, with the local progress of financial capitalism – increasing role of capital markets and associated transformations in firm governance. It has coincided with welfare state reforms and the (partial) questioning of corporatist-type arrangements. It has also articulated with the tendency for states to move towards and adopt a “regulatory” posture – with less direct involvement and a multiplication of specialized independent agencies.

Since the early 1980s, market ideology and market-oriented policies have spread fast and wide around the globe. Markets, the argument goes, are better at allocating resources and

producing wealth than bureaucracies, cartels, corporatist arrangements or governments. Furthermore, the global diffusion of marketization has had an impact well beyond the traditional boundaries of the economy. Marketization implies a redefinition of economic rules of the game but also a transformed perspective on states, regulation and their role. Marketization is questioning all forms of protective boundaries and barriers and having an impact, as a consequence, on social but also, for example, on cultural or legal policies.

However, this paper is not about marketization and its diffusion. This has been dealt with elsewhere (Djelic 2006). Rather, what we want to understand here is the ideological and moral “ground” on which this powerful marketization trend rests. We want to explore the moral foundations of contemporary marketization with a particular focus on the “ethics of competition”. The exercise will be one in intellectual genealogy. The current movement towards global marketization has a lot to do, historically, with the development of a particular form of capitalism in the United States and its evolution from the late 19th century till today (Djelic 1998, Djelic and Sahlin-Andersson 2006). Sustaining and reinforcing those structural developments, we find in the early period a powerful ideological background. American conservatism towards the end of the 19th century was a surprising mixture of classical economic liberalism, puritan doctrine and social Darwinism. Through a summary pathway, we trace the intellectual lineage of contemporary marketization by considering the ethics of competition as they emerge in turn from Adam Smith and early economic liberalism, the Puritan doctrine and Social Darwinism. We end with a focus on the more recent neoliberal synthesis, considering in particular the Chicago School. We see neoliberalism as both reflecting and embodying some of the historical ideological influences presented below and at the same time strongly shaping and structuring the normative frame that embeds contemporary marketization.

We explore, on this historical and genealogical path, the definitions of competition and the ethical principles associated with those definitions. We hope to underscore in the process the political and ethical message implicitly associated with contemporary marketization and many management practices that go with it. Beyond the neutrality of “scientific” and “best practice” discourse, an intellectual genealogy of this kind makes it plain that our structural choices, economic policy making and associated educational institutions and templates carry with them profound moral implications with a probable impact on the socialization of many millions of human beings (Solomon 1992).

LIBERALISM AND COMPETITION

We start from the premise that the work and thought of Adam Smith have significantly contributed, historically, to economic liberalism. This work and thought were shaped in a specific institutional context. In particular, Adam Smith was building and expanding upon some of the key ideas of the great founders of political liberalism – John Locke in particular.

Political Liberalism and the Impact on Adam Smith

For John Locke, a state of nature precedes and predates the social contract. In contrast to Hobbes, however, Locke's picture of the state of nature is not one of essentially chaotic and destructive anarchy. The state of nature is not a social space – in the sense that it is neither structured by contractual rules nor by a sense of community. For Locke, however, this state of nature is stabilized by natural law – the right to private property based on the work of the individual. In the state of nature, each individual faces nature and interactions between individuals have to do with that interface, with work, the product of work and property. Pre-political man, “natural” man is before anything else an *homo oeconomicus* – in the simple sense here of economic man (Manent 1986, Bréhier 1983, Locke). The social and political contract comes later, in the context of potential threats to this natural order. And the role of this social and political contract is merely to create a collective responsibility for the respect of natural law – in other words for the protection of private property and private economic freedom.

Adam Smith was strongly inspired by those ideas and was the main bridge, historically, between British political liberalism and classical or neo-classical theory (Manent 1986). More specifically, Smith appropriated three key propositions of political liberalism. First, building upon the idea of “natural man” as economic man, he took over the claim of an independence and precedence (both historical and moral) of the economic sphere (Smith 1999, 2000). What Locke referred to as the “state of nature”, Smith called the “system of natural liberty”. The systematic disembeddedness and self-contained character of economic activity so characteristic of orthodox economic thinking in the 19th and 20th centuries directly followed upon that. So did the notion that human liberty fundamentally rests upon economic freedom (itself implying competition). Second, Adam Smith took over the idea that this preeminent and autonomous sphere is structured by “natural laws”. The identification and description of

those “natural laws” of economic life is in fact very much at the heart of *An Inquiry into the Nature and Causes of the Wealth of Nations* (1999[1776])). Economic or natural man has, according to Adam Smith, a propensity to “truck, barter and exchange one thing for the other” (Smith 1999: I, ii, 117), to trade the fruits of individual labor. This propensity is natural and it is regulated by a set of “natural”, preexisting rules or “laws”. Third, Adam Smith also found inspiration in Locke’s subtle reading of the social contract. The social contract and the associated polity emerge when the natural order is threatened – but ironically they are themselves potentially dangerous to that order. For Smith as for Locke, the role of the polity is important but it should remain minimal. Ideally, the polity should be there to ensure that the economic sphere is left to function according to natural law principles. It should be the role of the emerging scientific economist to both identify those principles of natural law and to protect them from “un-natural” tampering and interference – in particular social and political.

Natural Laws of Economic Exchange

The natural propensity of human beings to barter and trade the products of their own work suggests and demands the market. In Smith’s thought, the market is in fact a natural, emergent and essential reality of human and social life, stemming from this very propensity. The exchange of goods within that natural space reflects three main principles – the division of labour, the invisible hand and competition.

The propensity to exchange has for direct consequence that each individual does not have to rely simply on herself to provide for the whole range of her needs. She can find the answer to parts of those needs on the market and obtain them in exchange for the things she produces herself. The division of labour leads to the greater productivity of each individual and hence to the maximization of welfare, both for the community and for the individual. The latter will obtain more by producing large quantities of what she does best and by exchanging this excess on the market for other things she might need. The extent and complexity of the division of labour depend upon the scale and density of the market, and the latter are in direct correlation with demographic and infrastructural conditions (Smith 1999: I, iii). Adam Smith argued that the progressive extension and expansion of markets meant, ultimately, not only greater individual and collective well-being but also moral, social and political progress away from feudalism and tyranny and towards yeomanry and democracy (Smith 1999: I, i, 109; III).

Another “natural law”, according to Adam Smith, was that markets were orderly. Order did not stem from an all-powerful regulator but from a multiplicity of transactions and their combination (Smith 1999: I, ii, 119). The collective good is achieved not by planning it but by leaving free rein to the natural propensity of market players to maximize their individual welfare and personal gains. Through combination in the market, the greed and selfishness of individual acts turned into a morally satisfying and welfare maximizing collective order. In *The Wealth of Nations*, individuals were pictured as essentially a-moral; the market, though, was inherently albeit mysteriously producing a progressive and moral order (Nelson 2001). This is the miracle of the “invisible hand” that requires, however, specific conditions.

The invisible hand will not come to play, in particular, lest free rein is left to the competitive mechanism. Competition emerges, in the work of Adam Smith (although he rarely uses the word) as a third basic, natural and structuring principle of the market. In a market where competition works, the scarcity of a particular good will naturally lead to the emergence of new providers. This, in turn, will drive quantity up and prices down, thus reestablishing a balance between demand and offer. In turn, when offer is too plentiful, prices will tend to go down, discouraging some of the providers who will turn to other, more promising fields. Here also a balance should soon be reached. This, however, will only be the case if competition is not hampered. Smith pointed to two types of obstacles. Market players themselves could introduce disruption and “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” (Smith 1999: I, x, 232). This part of Smith’s argument has often been neglected but it shows deep consciousness that competitive markets were not automatically self-sustaining. Smith also strongly denounced tampering and intervention by political authorities (Smith 2000: IV, ii).

No regulation of commerce can increase the quantity of industry in any society beyond what its capital can maintain. It can only divert a part of it into a direction into which it might not otherwise have gone: and it is by no means certain that this artificial direction is likely to be more advantageous to the society than that into which it would have gone of its own accord (Smith 1999: IV, ii, 3)

That particular denunciation is an important part of the genetic link between Smith’s liberalism and contemporary neoliberalism (Skinner 1999:79).

The Ethics of Liberal Competition

Beyond the intuitions and hypotheses of economic liberalism, we can see emerging a deeply consequential reading of human nature and of the character of social life – and this already in the work and thought of early liberals including Adam Smith. Let us try and summarize here this reading, underscoring its main ethical implications.

Man is by nature an economic man. The economic sphere, the sphere of work and property is pre-eminent and all other spheres of human life (social, political...) come after in the double sense of emerging later historically and of having to be subservient to the natural laws of the economic sphere.

In the natural state, man is essentially alone facing nature. His (we have no sense of what is happening to “her”) work is his alone and determines his property, which is fundamentally individual. Hence, the notion of individualism is profoundly inscribed in the liberal project. At the core of this project is what I call the liberal “eden” – the situation of equilibrium with so many free and autonomous individuals qua producers and property owners, projected as being that of the state of nature. In this liberal “eden”, interactions are chosen, they are free and center on the bartering and exchange of goods produced. The essence of human interaction in this state of nature is, in other words, the “spot contract”. This liberal “eden” is, like in most monotheist religions, at the beginning but also may be at the end of history. In any case, it is a target, a goal that we should be striving for. In the state of nature, the individual is free and independent – the figure that comes to mind is that of the free-standing entrepreneur. Any form of collectivism (whether social – family or tribe; political, moral or religious, cultural or professional...) potentially represents a threat to that fragile equilibrium.

The liberal market, in its “eden” form, is structured through the division of labour, competition and the invisible hand. Here things become slightly more complex – and there are two potential readings of early economic liberalism and in particular of Adam Smith (Force 2003: 256ff). If we read only *The Wealth of Nations*, we easily get a sense that the main, if not the only, motor of market dynamics and human behaviour is individual self-interest. Not only do we find self-interest and individual greed behind division of labour and competition but in fact, in order to work, a competitive market requires, demands, self-interest and individual greed and potentially only that. The moral imperative of market capitalism read in this light is

the maximization of individual self-interest, selfishness and greediness. The image used by Adam Smith to suggest that has indeed become quite famous:

It is not from the benevolence of the butcher, the brewer or the baker that we expect our dinner, but from their regard to their own interest. We address ourselves not to their humanity but to their self-love and never talk to them of our own necessities but of their advantage (Smith 1999: 119)

A miracle, though, happens through the mysterious alchemy of the market and its “invisible hand”. The aggregation of multiple a- and un-ethical individual actions turns into a morally and ethically satisfying collective good. In *The Wealth of Nations*, the market is a moral structure – beyond the dimension of efficiency. This idea is still present today in all variants of neo-classical economic theory, as “natural law” – hence unquestioned and not to be scientifically demonstrated (Nelson 2001). Arguably, this is one of the most striking – and consequential – legacies of *The Wealth of Nations*. If the market is indeed a moral and ethical structure, then a direct consequence should be that there is no need to bring in ethical considerations at the level of individual behaviours. Furthermore, the reasoning could well be that if we attempted to do that, we would only distort and disturb the natural regulative mechanisms of the market (Friedman 1962). A correlate conclusion could then well be that capitalism will be working at its best when individual behaviours are left unfettered and free to explore all the paths leading to a maximization of self-interest, including when those paths could be judged to be a- or un-ethical.

There is, however, a second possible reading of Adam Smith if we focus this time on *The Theory of Moral Sentiments*. In his first book, Smith clearly suggests that the market and its invisible hand reveal a Rational (ie Divine) plan and order. Individuals are linked to each other in and through that plan (Nelson, 1991). These individuals are endowed – presumably by the Author of Nature – with certain faculties (such as reason or imagination) and particular propensities (Smith 1982). There are two such propensities – self-love that expresses itself in the maximization of self-interest but also “fellow feeling” as the first sentence of the *Theory of Moral Sentiments* shows:

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 (Smith, 1982: I.i.1.1).

Fellow feeling, as much as self-love, is a survival kit and a condition of man's fitness for that social state and interdependence in which he finds himself by divine design. Fellow feeling implies sympathy and empathy. There is, in Adam Smith, a world "beyond selfishness" (Solomon 1992). The individual has a natural disposition to form judgments (applied both to herself and others) concerning what is fit and proper to be done or to be avoided. But since this natural disposition may conflict with self-love, it is probably not enough, Smith tells us, as a source of control. It should be strengthened and reinforced by the setting up of socially defined "general rules concerning what is fit and proper" (Smith, 1982: III.4.8). This code of morality – this ethical project – may be the missing link in *The Wealth of Nations*; the one that could explain that the aggregation of self-interested actions turns ultimately into a morally satisfying collective good. A code of morality that would be deeply inscribed in the individuals themselves – although it may sometimes conflict with and contradict self-love – could create the basis for collective self-restraint and relative harmony. Undeniably, this dimension of Smith's work has been all but disregarded in classical and neoclassical economics.

READING COMPETITION THROUGH THE PROTESTANT ETHIC

There is an interesting and somewhat surprising common feature between classical economic liberalism and the Protestant religion, particularly in its Calvinist form. This common feature is the significance of regulative forces that go beyond human and social reach. The doctrine of divine election and its expression in worldly successes and in the realization of one's calling does in fact fit rather well with the idea of a self-regulated market. We build here, naturally, upon Max Weber's interpretation of the Calvinist religion in its interaction with emergent modern and rational capitalism (Weber 1930).

When Virtue implies Virtuosity

Jean Calvin was a Franco-Swiss preacher. Together with Martin Luther, he was a key actor of the Protestant Reformation movement in Europe during the 16th century. An important element of Calvinist teachings was the doctrine of predestination. The original version of that doctrine was extremely rigid. The Calvinist God was a stern and all-powerful master planner

that had divided humanity from immemorial times between a few that were elect and would be saved and the rest who would be damned.

By the decree of God, for the manifestation of His glory, some men and angels are predestinated unto everlasting life, and others foreordained to everlasting death (Westminster 1717: Chapter III – *Of God's Eternal Decree*).

The Universe was created to further the glory of God and the motives of that almighty God were beyond human understanding. The division between those bound for damnation and those who would be saved was fully pre-determined. When born, a particular individual was already assigned to one of those two categories without having any means to know which – and even less power to change his or her fate. Good deeds, human merits or repentance could have no impact whatsoever on whether one was part of the elects or not. As Weber suggests,

in what was for the man of the age of the Reformation the most important thing in life, his eternal salvation, he was forced to follow his path alone to meet a destiny which had been decreed for him from eternity (Weber 1930: 60).

In this rigid version, the doctrine of predestination was a source of deep existential anguish and pessimistic disillusion. It produced an “unprecedented inner loneliness of the single individual” (Weber, 1930: 60). Undeniably, it was too harsh and inhuman.

While Calvin himself, as a chosen agent of God, was certain of his own salvation, the double practical question of whether one was saved or not and what were the signs of salvation, was certainly a burning one for regular believers. Hence practical takes on the doctrine of predestination had to emerge. More particularly, two types of pastoral advice appeared. First, it was an absolute duty to consider oneself one of the chosen – *certitudo salutis*. Second, it was possible to look for signs of salvation in a positive contribution to the glorification of God's Kingdom on earth and in “intense worldly activity” (Weber 1930: 67). This could be done through an absolute focus on one's “calling”. The idea of the calling – or *Beruf* – was that each single one of us was put on this planet by the Great Master Planner into a particular position and with a particular duty. Signs of our election could be found in the successful accomplishment of our *Beruf* as it contributed to the prosperity of God's earthly Kingdom and therefore to the Glory of God. In contrast, the refusal to do one's calling, the refusal to work

so as to help fructify God's pre-ordained world turned into a sign of damnation. Quite unlike what was the case in Catholicism, where the highest form of religious sentiment was otherworldly contemplation, mystical communion with the Deity and the denial of the self and of the world as symbolized by the monk, in Calvinism the fulfilment of one's duty in worldly affairs was the highest form that the moral and religious activity of individuals could take (Weber, 1930: 67-70). The Calvinist God was stern and aloof. He could not be reached otherwise than indirectly through the interface with His earthly Kingdom. As a consequence, the Calvinist creed was profoundly inner-worldly.

In that context, the creation of wealth became a sign of divine election and salvation. But in Calvinism, existential anguish was a permanent state – and the search for signs of election also was and should be permanent. And in fact, “the God of Calvinism demanded of his believers not single good works but a life of good works combined in a unified system” (Weber 1930: 71). Virtue – as ultimately symbolized in the *certitudo salutis* – implied virtuosity as measured by earthly successes and the production of wealth. The wealth that was being created, though, was not for enjoyment and it should not be used towards self-aggrandizement. Wealth should not lead to personal pride; it should not on the other hand be used as a tool to diminish, harm or exploit others. Nobody, after all, was responsible for his or her own salvation or damnation – we were all just being confronted to a mysterious divine scheme. And all of us have our place and our position – necessary and predefined – in the earthly expression of that divine scheme. Acquisition should not be pursued to satisfy material needs and allow pleasure. In fact, straying away from an ascetic work ethic – through enjoyment, pleasures, unnecessary spending, pride, spite or the use of wealth to exert power – may be interpreted as signs of damnation. Wealth should be created and immediately and forever reinvested to fructify further God's Kingdom on earth. And the greater the possessions, “the heavier, if the ascetic attitude toward life stands the test, the feeling of responsibility for them, for holding them undiminished for the glory of God and increasing them by restless effort” (Weber, 1930: 115).

Calvinism and Capitalism

The ethics associated with the practical adaptation of the Calvinist doctrine fit nicely indeed with the logic of rational capitalism as it emerged during the modern period in Europe and in the United States. In the *Protestant Ethics and the Spirit of Capitalism*, Max Weber differentiated between several ideal types of capitalism that had marked history in varying

ways (Weber 1930, Giddens 1971). Leaving aside predatory, trade or warfare capitalism, Max Weber was mostly fascinated by the emergence in early modern Europe and in Puritan North America of what he termed “rational capitalism”. He saw that form as more than just an impulse for acquisition and in fact he defined it as being “identical with the restraint, or at least a rational tempering, of this irrational impulse” (Weber 1930: xxxi). Capitalism, he argued, “is identical with the pursuit of profit, and forever renewed profit, by means of continuous, rational, capitalistic enterprise” (Weber 1930: xxxi).

The first signs of emergence of that form of rational and systematic capitalistic accumulation were found, Max Weber tells us, in a modernizing European continent. The birth of rational capitalism depended upon and was associated with free labour, the development of the Western city, the structuring of the nation state, the progressive separation of the productive enterprise from the household and accounting innovations such as double entry bookkeeping. The argument of Max Weber, however, is that those structural and material conditions were necessary but not sufficient to account for the development and expansion of rational capitalism. The key there, for him, was the existence of a propensity in human beings to behave in such a rational, accumulative but also restrained manner (Weber 1930: xxxix). According to Max Weber, such a propensity was not linked in any way to “human nature”. Rather, it was highly conditioned by the spiritual and religious context in which individual and collective actions were embedded. And in contrast, when this propensity has “been obstructed by spiritual obstacles, the development of rational economic conduct has also met serious inner resistance” (Weber 1930: xxxix).

The next stage in Max Weber’s demonstration was to show that some forms of Protestant denominations – particularly those associated with Calvinism – were indeed particularly conducive to the emergence and stabilization of such a propensity in given populations. Hence, the main explanation for the rapid expansion of rational capitalism in early modern Europe and Puritan America was, according to Max Weber, the encounter, the fit and the affinity between the material conditions identified above and the spiritual tenets of Calvinist Puritanism. The ethics associated with that type of religious denominations were a deep structure fuelling and fostering the propensity towards rational capitalist accumulation. Calvinist ethics were in other words in very close elective affinity with the spirit that was necessary for that type of capitalism to develop and expand. That type of normative structure worked through collective socialization and deep individual appropriation and in a sense

acculturation. To that extent, it was indeed “invisible” and nevertheless highly powerful – framing behaviours, interactions and mindsets a priori and hence reducing the need for external constraints, controls and expressions of power.

Such combination of a rational and perpetual search for accumulation and wealth creation with an ascetic lifestyle proved to be a perfect spiritual ground for the development of modern rational capitalism. And for Max Weber, the encounter between the early material conditions for rational capitalist accumulation and the Calvinist ethos turned out to represent one of those moments when history accelerated. The Calvinist ethos was the spiritual fuel that structured and stabilized at its beginnings the emerging capitalist order. Hence, from that perspective, modern rational capitalism was indeed a deeply moral and ethical order. But it was so historically and not essentially or naturally and, as Max Weber argued this difference was highly consequential.

The Calvinist Ethics of Competition

The notion of competition does not appear in any direct way in the Calvinist doctrine, whether in its harsher or softer variants. When we connect, however, this doctrine with the development of rational capitalism, we see how the competitive mechanism plays an implicit role and we are able to unearth associated ethics of competition.

In its harsher form, the Calvinist doctrine is profoundly and consequentially conservative. The doctrine of predestination, in its strong reading, implies full determinism. Each single one of us is either saved or damned (and implicitly Good or Bad) by Divine decree. Trying to be anything else than what we are, trying to change would simply not make any sense. In this profoundly stable and rigid world, competition is vain, unnecessary, if not simply illogical. The softer variant of Calvinism, however, suggests a very different situation. The Calvinist, in this variant “creates his own salvation or as would be more correct, the conviction of it” (Weber 1930: 69). The way he does so is by working to multiply signs of earthly success – excelling in one’s calling, helping fructify God’s Kingdom on earth, generating wealth.

From the Calvinist doctrine, it appears that the deepest quest for each individual is religious and is about what happens after death. Still, because of the inner-worldly nature of this religion, moral virtue as symbolized by salvation gets translated into worldly virtuosity and in particular into economic virtuosity. Man is not here by nature “*oeconomicus*” but his

economic activity becomes indirectly the measure of all things, in particular of his salvation and of his virtue.

The Calvinist doctrine of predestination means a profound solitude of the believer in front of his destiny. The fight for the “conviction of salvation” is a profoundly individual and solitary one. Not all can be saved and the stakes are high. I can be saved only if others are damned. Hence, competition in gaining the signs of salvation, competition in worldly and in particular in economic affairs has very profound even vital consequences. I need to succeed, I need to accumulate riches (not for my own personal enjoyment though) and others need to lose as two sides of the same coin – the conviction of my own salvation. “God helps those who help themselves” (Weber 1930: 69).

A direct consequence of this essential individualism is its associated utilitarianism. All actions and interactions need to serve the broader goal of increasing God’s glory on earth and in parallel my own conviction to salvation. Any action that cannot be justified in this way is unnecessary distraction at best, sinful enjoyment at worst. Another way to look at this is to underscore the need to reinterpret and recast all our actions, interactions and relationships as contributing to the generation of wealth – hence re-assuring us on the matter of our salvation. The Bourgeois businessman,

as long as he remained within the bounds of formal correctness, as long as his moral conduct was spotless and the use to which he put his wealth was not objectionable, could follow his pecuniary interests as he would and feel that he was fulfilling a duty in doing so (Weber 1930: 120).

The Calvinist doctrine suggests essential individualism – the solitary fight of each individual to convince himself of his own salvation. This fight is deeply solitary and it implies competition since all individuals cannot be saved, far from it. The consequence has been “the strikingly frequent repetition, especially in the English Puritan literature, of warnings against any trust in the aid of friendship of men” (Weber 1930:62). Only God should be your confidant. Furthermore, nothing should be allowed to distort this aggregation of multiple solitary fights that necessarily impact each other. The Calvinist doctrine, in its softer form, builds upon the notion of an immutable, pre-determined order that will be revealed if those fights are left free play and remain unhampered and undistorted. As in classical economic

liberalism, the Divine scheme in the background is the invisible hand that generates a profoundly moral order. Salvation is for a minority and salvation is measured by earthly success – hence the capacity to produce wealth. The majority is damned and the situation in this world reflects the reality of the other world as determined by God. Salvation and wealth are more or less explicitly associated with Virtue – being “Good”:

All those whom God hath predestinated unto life, and those only, He is pleased in His appointed and accepted time effectually to call by His word and spirit (out of that state of sin and death, in which they are by nature)...and by His almighty power determining them to that which is good...(Westminster 1717: Chapter X – *Of Effectual Calling*)

Naturally, in contrast, being damned becomes being Bad, sinful, “wicked and ungodly” (Westminster 1717: Chapter V – *Of Providence*). Still, the Good need the Bad, the Saved need the Damned – one category could not exist without the other. Competition is therefore not a fight to death but a quest for an equilibrium reflecting a predetermined order. As such, the softer variant of the Calvinist doctrine was also quite conservative. More precisely, it generated a good conscience and a justification for profound social inequalities. The unequal distribution of the goods of this world “was a special dispensation of Divine Providence, which in these differences, as in particular grace, pursued secret ends unknown to men” (Weber 1930: 120). It also prevented and de-legitimized any kind of social intervention to correct those inequalities – in particular on the part of the State – and suggested instead the need for *laissez faire*.

At the end of *The Protestant Ethic and the Spirit of Capitalism*, Max Weber suggested however that modern capitalism was at the dawn of the twentieth century already in the process of “losing its soul”, in other words its religious and moral backbone. Weber proposed, furthermore, that the Calvinist revolution itself had had the unanticipated consequence of weakening through time the religious dimension of our world. It had been an important step towards what Weber called the “disenchantment of the world”.

The rationalization of the world, the elimination of magic as a means to salvation, the Catholics had not carried nearly so far as the Puritans had done. To the Catholic...the

priest was a magician who performed the miracle of transubstantiation and who held the key to eternal life in his hand (Weber 1930: 71).

By cutting away any form of direct connection between God and the believer, by judging of salvation through the metrics of economic productivity, Calvinism was significantly contributing through time to the rationalization and disenchantment of our world.

At the same time, the practical ethics of Calvinism generated their own internal contradictions. In time, the latter were coming to weaken the invisible spiritual structure of developing capitalism. Calvinism, in its doctrinal form, was initially tightly connected to an ethical and religious project that required and implied its own material and this-worldly translation. Such materialization of a spiritual project, though, inherently generated tensions. Wealth and the materialism associated with its production were seen by Max Weber to have a deeply secularizing influence (Weber 1930: 124). As a consequence, they were bound, he argued, to weaken the spiritual structure that originally sustained them. Max Weber found the best descriptive expression of that process in a text written by John Wesley already at the end of the 18th century. Founder of the Methodist movement, John Wesley feared that

...wherever riches have increased, the essence of religion has decreased in the same proportion. Therefore, I do not see how it is possible, in the nature of things, for any revival of true religion to continue long. For religion must necessarily produce both industry and frugality, and these cannot but produce riches. But as riches increase, so will pride, anger and love of the world in all its branches...So, although the form of religion remains, the spirit is swiftly vanishing away (Wesley as quoted in Southey, 1855: 308).

The prophecy of Max Weber was in process already during the last decades of the nineteenth century, particularly, he argued, in the United States. Capitalism was on its way to “losing its soul”, becoming “disenchanted” and fully rationalized and in the end it was turning into an “iron cage”.

The Puritan wanted to work in a calling; we are forced to do so. For when asceticism was carried out of monastic cells into everyday life, and began to dominate worldly morality, it did its part in building the tremendous cosmos of the modern economic

order. This order is now bound to the technical and economic conditions of machine production which today determine the lives of all individuals who are born into this mechanism, not only those directly concerned with economic acquisition, with irresistible force. Perhaps it will so determine them until the last ton of fossilized coal is burnt....In the field of its highest development, in the United States, the pursuit of wealth, stripped of its religious and ethical meaning, tends to become associated with purely mundane passions...(Weber 1930: 123).

DARWIN AND SPENCER – SURVIVAL OF THE FITTEST AND COMPETITION

In his *Origins of Species* (1859), Darwin outlined one general law that “led to the advancement of all organic beings – namely multiply, vary, let the strongest live and the weakest die”. Transformations or variations were “selected” and stabilized in a particular species if they gave an advantage to those organisms which had developed them first. “Selection” happened through the “struggle for life” and advantage was measured by survival and reproductive success. Charles Darwin put competition – the “struggle for life” – at the center of natural life. He saw competition as a key mechanism of the evolution of species.

From Darwinism to Social Darwinism

Rapidly, the evolutionary argument proposed by Charles Darwin was adapted and transferred to the Social Sciences. In retrospect, this is not too surprising. Darwin, after all, had been significantly influenced by the work of the French economist, Thomas Malthus. The text from which Darwin drew some of his key insights was *An Essay on the Principle of Population as it Affects the Future Improvement of Society* (1798). Charles Darwin kept the Malthusian idea that the structuring principle of life was the struggle for scarce subsistence. Darwin used that idea not only to explain human economic and social interactions as Malthus had done but also to describe the natural world and to account for the evolution and transformation of living beings. Charles Darwin stopped short, however, of drawing the same type of negative and pessimistic conclusions as Thomas Malthus had done. The latter put in parallel scarce natural resources on the one hand and an exploding population rate on the other, predicting doom and disaster if this trend was not controlled. Darwin singled out, in contrast, the positive effects of the struggle for scarce subsistence. In time, through the combination of variation and selection

in a context of competitive free-for-all, those effects were the “survival of the fittest” and death or the disappearance of the weakest.

Although Darwin’s original focus had been the biological evolution of species, he did not shy away from reading social life through a parallel evolutionary frame. As such, he was himself one of the first “Social Darwinists” (Hawkins 1997, Jones 1978). For Darwin, most features of social and human life – ethics, religion, political institutions, the rise and fall of nations and civilizations as well as psychological or behavioral characteristics – followed the general law of evolution. Here again, the key mechanism was competition; competition between institutions, practices, organizations, ideas. The “fittest” survived and the “weakest” disappeared. This meant an easy association between evolutionary social change and social, human, or even moral progress. In fact, Darwin came to deduce the superiority of civilized anglo-saxon countries over other countries from his general law of evolution (Hawkins 1997).

Bridging Social Darwinism and Liberalism – The Role of Spencer

Herbert Spencer was another key figure of Social Darwinism. Spencer contributed significantly both to the theoretical explicitation of social Darwinism and to its diffusion to a broad public across national boundaries. An important dimension of Spencer’s contribution was that he was able to create a bridge between social Darwinism and economics, particularly liberal economics. Spencer was also instrumental in the cross-national transfer of ideas that brought social Darwinism to the United States.

Herbert Spencer was born in Britain in a family that valued individualism and self-help. He started his professional life as a railway engineer, later becoming a journalist and writer. From 1848 to 1853, Spencer was editor of *The Economist*, the key British financial weekly then already a mouthpiece of liberal economic thinking in its purest form.

Spencer’s theory of cosmic evolution pictured a world in constant flux where the fight for scarce resources meant significant competitive pressures – within species, across species, within nations, across nations. This theory of cosmic evolution was associated in Spencer’s thought with a “theory of inevitable progress”. In his first book, *Social Statics*, published in 1851, Spencer claimed that

Progress, therefore, is not an accident but a necessity.... The modifications mankind has undergone and is still undergoing result from a law underlying the whole organic creation. And provided the human race continues and the constitution of things remain the same, those modifications must end in completeness and progress (Spencer 1851: Chapter II, par.4).

The tough pressure of competition meant – everywhere – the disappearance of the weak and the “survival of the fittest”. Spencer, in fact, coined this expression that later came to be used as an iconic label with direct reference to social Darwinian arguments. The harsh discipline of competition had ensured “a constant progress towards a higher degree of skill, intelligence and self-regulation, a better coordination of actions, a more complete life (Spencer Principles of Biology, II : 526-8). Competition should also lead to the elimination of the “unfit” and for Spencer nothing should come and distort this necessary process. Welfare and charity in this respect were all but counterproductive. Competition across and within nations meant that

...the best, physically, emotionally and intellectually, spread most and leave the least capable to disappear gradually, from failing to leave a sufficiently numerous posterity (Spencer 1878: 199).

Such a Panglossian view of evolution and a deterministic sense of inescapable progress meant that Spencer believed in uninhibited individualism and championed strict *laissez faire*. Any kind of interference could only be detrimental to the longer term and natural evolutionary process. There was no need whatsoever, in the Spencerian world, for politics, collective bargaining or welfare initiatives. Furthermore even, not only was there no need for those but they could be highly detrimental. They were bound to disrupt the natural process that should (including in a moral sense for Spencer) lead to the “survival of the fittest” and to the shouldering aside of the weak.

In the few years before and after 1870, The Spencerian variant of social Darwinism got transferred from the old to the new continent. The Spencerian argument did resonate particularly well with the conditions that characterized the United States after the Civil War. Hence, it spread fast and was eagerly appropriated. This was a time of upheaval, turbulence, transformations and unpredictable developments where the old rules were inadequate and the new ones still to be invented (Kolko, 1963; Chernow, 1990). In that context, Spencer’s ideas

became the intellectual foundation for the social Darwinism that came to characterize the “Robber Barons”. The “Robber Barons” were that generation of businessmen that thrived initially on the chaotic conditions associated with the American Civil War and then established firmly their power and legitimacy during the period of corporate reinvention of American capitalism, at the end of the 19th century (Josephson 1934, Sklar, 1988; Zunz, 1990; Roy, 1997; Djelic, 1998).

Spencer’s ideas also spread within American intellectual circles, with significant impact in particular in American universities. Amongst the most famous and influential American champions of Spencerian evolutionism were John Fiske (philosopher and historian), William Graham Sumner (professor of political economy at Yale) or William James (Harvard) (Hawkins, 1997). Altogether, the social Darwinian worldview, particularly in its Spencerian form, became an important ingredient of American social science with a profound and long term impact. It was read, interpreted, used and appropriated – and transformed in the process. There were different paths to such transformation. We will just point to an interesting effort at reconciling and bringing together Spencerian evolutionism and the Calvinist doctrine. William Graham Sumner played here an interesting role. Sumner reinterpreted the “survival of the fittest” as the consequence of a Divine scheme and turned, in the process, *laissez faire* into a natural/divine law.

The law of the survival of the fittest was not made by man and cannot be abrogated by man. We can only, by interfering with it, produce the survival of the unfittest” (Sumner 1963: 17).

Sumner also re-affirmed the Calvinist ethic as, interestingly, an instrument of the progressive evolutionary process championed by Spencer

Labour and self-denial, to work yet abstain from enjoying, to earn a product yet work on as if one possessed nothing, have been the condition of advance for the human race from the beginning and they continue to be such still (Sumner 1885: 40).

When Herbert Spencer went to the United States in 1882, he was received with the highest honors. Andrew Carnegie or John D. Rockefeller revered him (Chernow, 1998). Spencerian evolutionism could, in and of itself, justify – including in a moral sense – the brutal tactics

that were then characteristic of American capitalism. Violent and rapacious behaviour, in the context of “free”, in the sense of wild competition, were identified as necessary means leading to progress through struggle. The “elimination” of the weak and the institutionalization of a hierarchical and unequal division of labor were also given legitimacy in this way. According to Spencer indeed

Not only does this struggle for existence involve the necessity that personal ends must be pursued with little regard to the evils entailed on unsuccessful competitors but it also involves the necessity that there shall not be too keen a sympathy with that diffuse suffering inevitable accompanying this industrial battle (Spencer 1890: 611).

Unsurprisingly, the Robber Barons rapidly seized upon an ideology that turned in this way struggle, violence and brutal use of power into necessary steps towards progress (Hawkins, 1997).

The ethics of Spencerian competition

In his work, Herbert Spencer suggests in fact an evolution of the main mechanisms of evolution. At an early stage of development of Humanity, he tells us, warfare and diseases were the main operative mechanisms for the process of selection.

Warfare among men, like warfare among animals, has had a large share in raising their organizations to a higher stage (Spencer 1878:193)

Progressively, though, and as the human species evolved warfare diminished in significance. As hygiene and medical science made progress, diseases and physical weaknesses had less of an impact. Warfare and diseases did not disappear as mechanisms, naturally, but they were complemented and in part replaced by what Spencer calls “industrial war”:

After this stage has been reached, the purifying process, continuing still an important one, remains to be carried on by industrial war and by a competition of societies (Spencer 1878: 199)

Hence, for Spencer, man is not by nature an “*homo-oeconomicus*” but a warrior, a fighter. This warrior and fighting spirit originally reflected and expressed a natural law – the law of

progressive evolution through the struggle for life. Through time, this spirit got translated into a different kind of mechanism – that of unhampered economic competition. So the profound nature of man remained the same – a warrior fighting for his own survival. But the way this nature expressed itself evolved through time – from warfare to the market. At a later stage of development, man did become an *homo-oeconomicus* in the sense that the key dimension of his nature (his fighting spirit) played out mostly through market competition.

Reading Herbert Spencer, we realize that the picture of the market that emerges is one of ruthless battlefield. Competition should be not only “free” but in fact “wild”. The idea that it is a jungle out there and that everything, as a consequence, is and should be possible is very much what comes to mind. You can be strong in the morning and dead in the evening! Competition is all-out-war. Competition is not merely a struggle against nature. Nor is it enough to think of it as a search for equilibrium where all are needed and find their place. Competition here is a war of all against all – there should be clear winners and clear losers. More often than not, losing means dying in the real sense of the term (for a firm, for a society, even for an individual directly or by lack of posterity).

The killing off of relatively feeble tribes, or tribes relatively wanting in endurance, or courage, or sagacity, or power of cooperation, must have tended ever to maintain and occasionally to increase, the amounts of life-preserving powers possessed by men (Spencer 1878: 193)

The violence and the suffering necessarily associated with such an understanding of competition are justified in teleological terms as bringing along human and social progress, a better and more developed society. Where individual units might suffer or disappear, the collective will benefit through reaching a “higher stage”. In Spencer’s reading of it, the freely playing competitive mechanism is progressive and therefore morally good. The argument should even be pushed one step further. Not only is the competitive mechanism morally justified and morally good but so are also all its consequences. Individual suffering becomes morally legitimate since it is a means, a step towards collective progress.

Mitigating that suffering, furthermore, through “charity”, state intervention or any form of social engineering distorts the natural process and mechanism of selection. Hence, all form of intervention is an obstacle to collective human progress – and as such at the same time both

highly counter-productive and morally illegitimate. Absolute *laissez faire*, whatever its consequences, should be the rule when it comes to market competition. The game is fully and essentially an individualist one and it should remain so – whether it be one individual against others; one firm against others; one nation against others.

Interestingly, by pushing a step too far the quest for “pure” market competition, Spencer opens up a dangerous breach. A wild competition, without bounds, is in fact logically bound to lead, progressively, to a reduction of competition! If everything is possible in the context of economic warfare, then the strong will kill and eat the weak, the strong will get stronger, the number of actors will altogether be reduced and the conditions for competition strongly altered. In parallel, the constant struggle of all against all, the possibility to be at the top one day and dead the other create a profoundly unsettling situation. History repeatedly shows that individuals or individual units will try as much as they can to mitigate and set bounds to such disturbing pressure. Adam Smith had pointed to the natural propensity of “people of the same trade” to convene and agree on ways to dampen competitive pressures (Smith 1999: I, x, 232). While Spencer’s ideas were crossing the Atlantic, the temptation was strong in the US but also in Europe for industrialists to counter competition through different forms of collaboration (Djelic and Durand 2006). The last decades of the twentieth century saw a multiplication of cartels, trusts or other forms of association in the United States – the objective of which was to make competition less wild if not to get rid of it altogether. This trend persisted in Europe well into the twentieth century (Djelic 1998, Djelic and Durand 2006). Too much competition, in short, generates an urge to control and reduce it. This urge stems not only from external actors (like the State) but is also to be found amongst the actors in competition themselves. In the end, and if there is no regulatory intervention, the logical evolution is from wild competition to a progressive taming of competitive pressures, in particular through increasing unit size and the decreasing number of actors involved. Wild competition suggests in time an oligopolisation (of industries but also potentially of societies, nations or other forms of collectives).

TOWARDS A NEOLIBERAL SYNTHESIS

Those three bodies of ideas – economic liberalism, Calvinist doctrine and Spencerian evolutionism – met, combined and influenced each other on American soil. The encounter

was explosive and greatly self-reinforcing. There were, as Max Weber would have said, powerful “elective affinities” between those three bodies of thought. We turn now to what appears, in retrospect, a step towards synthesis. Neoliberalism has multiple roots and reflects intermingled influences. We focus here on the Chicago School as one of the key roots and pillars of the neoliberal doctrine as we know it today. The Chicago School was born and developed within the Chicago University – in the Economics Department. It built upon but also overcame and went beyond classical economic liberalism, the Calvinist heritage and Spencerian insights. It also emerged and developed in a peculiar period, in times when American capitalism was undergoing major transformations. This re-organization was moving towards oligopolistic equilibria in many industries, large-size firms and the collective ownership of corporations (Sklar 1988; Djelic 1998).

Building the liberal Temple – the early years at Chicago

Created in 1892, the University of Chicago was originally financed by John D. Rockefeller. The “Titan” of the American oil industry was threading a path followed by many other “Robber Barons” (Josephson 1934; Chernow 1998). After accumulating wealth on an unprecedented scale, including through questionable methods, the “Great Captains” of American industry were buying social and moral legitimacy by fuelling back some of that wealth towards philanthropic activities. In its early years, the University of Chicago was nicknamed the “Standard Oil University”. The first head of the Economics Department was J. Lawrence Laughlin, one of the most conservative economists in the country. Laughlin was a mixture of neo-classical theorist and aggressive big business apologist – the type that seemed to “confirm the suspicion of those who regarded the University of Chicago as a tool of business interests” (Coats 1963).

The liberalism championed by Laughlin differed in important ways from Smithian-type liberalism. His apology of the market was reconciled with the corporate revolution that transformed American capitalism (Sklar 1988). Laughlin defended the *status quo* on the grounds that the eternal laws of economics were just and progressive. At the turn of the twentieth century, the status quo meant oligopolies in most industries (Bornemann 1940). This reconciliation between markets and “bigness” has remained to this day a trademark of the so-called Chicago School of economics (Miller 1962; Nelson 2001). The Chicago School has been characterized by its “willingness, even eagerness, to accept whatever results the free

market grinds out” (Bronfenbrenner 1962:73) and by its incessant struggle against any form of state intervention.

The Chicago School crystallized during the 1930s around the key figure of Frank Knight (Nelson 2001). The group that emerged then would make the Chicago School famous – Jacob Viner, Henry Simons, Aaron Director, Allen Wallis, Milton Friedman, Rose Director Friedman and George Stigler (Reder 1982). Frank Knight championed free markets on moral grounds, as the best arrangements to ensure the preservation of individual freedom. Increased efficiency and utility maximization were positive collaterals, not ends in themselves (Nelson 2001).

Chicago – The post-World War II Generations

After World War II, and more particularly starting in the 1950s, the Chicago School of Economics was reaching maturity. The new generation had appropriated the philosophical insights of their teachers, in particular Frank Knight. There were two features, however, that set that generation apart. First, it jumped on the bandwagon of the “marginal” or mathematical revolution in economics (Schumpeter 1983: III, cha.v). It contributed, in fact, to the acceleration of the move to quantitative methods and complex econometrics that so much characterized the economics profession then (Reder 1982). Second, with Milton Friedman as its main spokesman, this generation re-affirmed the public and polemical role of the economist, originally explored by Laughlin but neglected by the generation of the 1930s.

By the early 1960s, the Chicago School in economics had acquired its unique features.¹ First, one finds an unconditional commitment to and advocacy of the market mechanism. The Chicago economist “differs in this advocacy from many economists on his dogmatism and in assuming that the actual market functions like the ideal one” (Miller 1962: 66). Second, one finds a principled rejection of regulation and state intervention that implies acceptance of the evolutionary dynamics of market competition and of their consequences. This has meant, in particular, that the Chicago School has accepted “bigness”. The fear of concentrated wealth, present in the work of Adam Smith, has had little weight in Chicago, much less in any case

¹ There were heated discussions in the early 1960s about the reality of such a school (eg. Stigler 1962; Coats 1963). Bronfenbrenner (1962) summed the debate well: He “had never heard of any Chicago School until (he) left Chicago” – but after a few years, he had “come to admit the existence of such a school”.

than the fear of government. Gary Becker summed it well: “It may be preferable not to regulate economic monopolies and to suffer their bad effects, rather than to regulate them and suffer the effects of political imperfection” (Becker 1958: 109).

Third, one finds a Panglossian vision of the world. The market mechanism is seen as progressive – leading to greater efficiency, collective prosperity but also individual freedom (Friedman and Friedman 1979, xv, 28: 129). Fourth, provided the state does not meddle, the market mechanism should be self-sustaining. For the Chicago Boys, faith in the market is such that monopoly is at most an ephemeral situation that should not threaten the vision of competitive markets (Reder 1982). Fifth, the associated conception of human nature is that of neo-classical economics – human beings are out to maximize utility. The Chicago School has systematically explored that path by expanding the boundaries of economics, explaining theft, discrimination, marriage, fertility, child rearing (Becker 1971, 1976, 1991), legal issues (Posner 1972, 1995) or the functioning of the church and religious institutions (Ekelund et al. 1996) through the prism of utility maximization.

Six, and finally, an important feature of the contemporary Chicago School has been its capacity to reconcile science and politics (Weber 1959; Drori and Meyer 2006). The postwar generation contributed to the scientific and mathematical turn of economics. At the same time, though, this generation also became highly involved in policy making and ultimately in political discussions. The move to politics and policy making was, at least at the start, partly accidental (Djelic 2006). Soon, though, the most vocal amongst Chicago economists – in particular Friedman – finding out that there was a “market” for their ideas engaged in normative proselytizing. A few of the Chicago economists turned themselves into missionaries of market mechanisms within but also beyond the economic realm. All their proposals for reform

involved either increased use of the price system (eg. on national markets but also across national boundaries), substitution of private for public production (eg. in health, education), replacement of legal compulsion by voluntary – financially induced – private cooperation or a mixture of all three (Reder 1982: 25).

CONCLUDING REMARKS

In retrospect, the spread, in the United States, of social Darwinism in its Spencerian form proved to be an important factor contributing to and hastening the secularization of capitalism in that country. The idea of an emergent natural order was a common dimension of economic liberalism in its Smithian variant, of Calvinism and of social Darwinism in the Spencerian version. In all three bodies of thought, that natural order was considered to be beyond human intervention. In fact, in all three cases, that order could only be revealed if natural laws were left free play. Natural laws had a divine dimension both in Calvinism and in a complete reading of Adam Smith. In the version of economic liberalism that forgot the *Theory of Moral Sentiments*, though, as well as in Spencerian social Darwinism, natural laws were essentially mechanistic. They had no ‘deeper meaning’, no ethical foundation – they just were there to be reckoned with.

Like Calvinism, economic liberalism and Spencerian social Darwinism were highly conservative ideologies but they were so in a different sense. Calvinism justified the status quo and the position that all occupied in the divine scheme of things was reflected in the social hierarchies of this world. There was, however, room for all in this world – the weak and the strong, those who would be damned and those who would be saved. Economic liberalism in its mechanistic variant and Spencerian social Darwinism justified instead the logics of evolutionary dynamics – and the survival of only the fittest and most competitive, which implied as correlate the disappearance, death or disintegration of the weak and the least competitive. Those logics were not (and should not be) mitigated by any form of self-restraint or ‘fellow feeling’ – as had been the case both in a full reading of Smithian liberalism or in Calvinist capitalism. Instead, the fight of all against all should be given absolutely free play even if it expressed itself in the most violent and brutal manner. In that context, a moral frame was reinterpreted as mere obstacle – just like laws, regulation and state intervention – to the free play of natural, mechanistic, forces. A moral frame or “fellow feeling”, as a consequence, did not belong with economic logics and were in fact bound to disturb those logics.

In the twentieth century, the emergence of neoliberalism represented an emerging synthesis. All three bodies of thought – economic liberalism, Calvinist doctrine and Spencerian evolutionism – were present and combined in this synthesis. At the same time, the neoliberal synthesis pushed forward a process already well under way – the disenchantment of

economics and economic activity. Rationalization, individualism, utilitarianism, *laissez faire* and a belief in progress remained as key building blocks. Neoliberalism also appropriated the reconciliation between competition and size that was mentioned above. The profound meaning, though, the legitimacy and the moral backbone that had been understood to sustain economic activity, at least in classical economy and in the Calvinist worldview, had all but disappeared. Strangely enough, notions like “invisible hand” or “spontaneous market equilibrium” carried with them the shadows and echoes of a lost moral frame. This lost moral frame had originally given meaning to a peculiar form of economic and acquisitive behaviour. It also had placed bounds and limits upon it, through notions like “fellow feeling” as a counterpoint to “self-interest”. Without the frame, only pragmatic ethics remained – acute individualism combined with utilitarianism; materialism as the only end; an attachment to *laissez faire* and competition even when those were leading in fact through their own internal contradictions to a weakening of competition; rationalization and the eviction of pockets of irrationality; finally a profound and undisputed conviction that the evolutionary trend meant Progress.

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