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Mary Poovey. *A History of the Modern Fact: Problems of Knowledge in the Sciences of Wealth and Society.* Chicago: University of Chicago Press, 1998. xxv + 419 pp. \$20.00 (paper), ISBN 978-0-226-67526-8; \$60.00 (cloth), ISBN 978-0-226-67525-1.

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Economic historians don't tend to think much about epistemology. As they trace unfolding developments in the economy, though, epistemology has a way of sneaking up on them. To cite an example from the recent past, *The Economist* this past July commented on the difficulty of squaring the enormous optimism generated by the new information-technology economy (reflected in the booming stock market) with the plainly unimpressive growth rates in all sectors of the economy barring computer sales. This was apparently "a sad case of the irresistible story meeting the immovable statistic," claimed the magazine. As if to drive home the underlying epistemological quandary, the accompanying editorial (and magazine cover) was titled: "How real is the new economy?"

In *A History of the Modern Fact*, Mary Poovey reinterprets classic texts in political economy, philosophy, and statistics in order to locate the historical origins of what she claims is a peculiarly modern dilemma. Whether charting economic growth or planetary motion, she claims, we moderns feel the need to ground our claims in immovable statistics; yet at the same time we are compelled to find a transcendent meaning (an irresistible story) in the mass of details. Poovey brings to this project the perspective of a literary critic who has, in the past, turned her attention to putatively non "literary" topics like Florence Nightingale and poor law reform. Her recent appointment as director of the Institute for the History of the Production of Knowledge at NYU has provided her with an institutional base from which to pursue the ambitious, and clearly historical, agenda for which *A History of the Modern Fact* is a blueprint.

It is indeed an ambitious book. One is tempted to

apply to it Daniel Defoe's definition of "project", which Poovey quotes (p. 158): "a vast undertaking, too big to be managed." The narrative moves from late-16th century British book-keeping manuals; through the debate between Gerald de Malynes and Thomas Mun on Britain's money supply; William Petty's writings on political arithmetic; Defoe's essays on "projects" and mercantile conduct; Earl Shaftesbury on sociability; David Hume on conjectural history; Samuel Johnson on the Outer Hebrides; and Smith and Malthus on political economy, before concluding with a chapter on John Stuart Mill and the astronomer John Herschel. On the way, she has much to say about the history of classical rhetoric, moral philosophy, scientific societies, and the problem of induction. And for the most part, she succeeds at holding all these topics together by keeping in focus her subjects' diverse efforts to solve the same problem: how to produce systematic knowledge about society in an era when the political basis of social order was being transformed?

Two important contexts for this problem appear in the book's opening chapters: classical (or Ciceronian) rhetoric, which dominated the way Renaissance writers made arguments; and "reason of state" theories which viewed politics in terms of sound principles which an absolute monarch could then impose on his subjects. Poovey describes most of her subjects as struggling against one or both of these conventions on their way to inventing a new way of analyzing society. Double-entry bookkeeping, for instance, substituted plain-speaking numbers for Ciceronian excess, in the process selling the precision of balance sheets as a proxy for mercantile virtue. Thomas Mun similarly pitched his arguments against centralized monetary policy both by his recourse to precise-sounding (but wholly illustrative) figures de-

picting the balance of trade and by his defense of mercantile rules and expertise. And Daniel Defoe moved from tracing the tangible effects of mercantile enterprise (in his *Essays upon Several Projects*) to writing a conduct manual for merchants (his *Compleat English Tradesman*), once he had determined that real-world merchants were not capable of rising to his vicarious ambitions.

As all these examples suggest, Poovey is especially interested in what might be called the communitarian origins of the modern fact. Only once a stable community is in place, with formal rules resting on unspoken customs, can its accompanying way of knowing the world start to appear stable as well. Poovey presents each of her early modern participants in the making of the “modern fact” as falling short, in one way or another, of achieving such stability, and hence never quite securing trust in the facts they tried to generate. Neither her bookkeepers nor Mun really intended their “facts” to correspond transparently or comprehensively with “reality”; all that mattered for them was that their figures added up. And she presents other examples of people employing modern facts for premodern purposes, as when William Petty intended his political arithmetic to assist in the Hobbesian project of maintaining social order through kingly fiat.

The main arguments of *A History of the Modern Fact* come into focus in the chapters on Scottish moral philosophy and political economy. The subjects of these chapters first try to pin their hoped-for epistemological stability on divine design, before settling on the tools of disciplinary expertise. Poovey first traces the Scottish philosopher Francis Hutcheson’s efforts to identify abstractions like “the human mind” at work in history, the reality of which he demonstrated not mainly by reference to historical evidence, but by internal coherence and the assumption that anything constructed by God must run like clockwork. The key figure in the move away from providential design, unsurprisingly, is David Hume, who drew attention to the problem of induction that providence left unanswered. Poovey portrays Hume as solving that problem to his satisfaction by asserting that even though all theories about society or nature can only be fictions, they are *useful* fictions which should not be abandoned just because they can never be fully proven. For Poovey the most important implication of this insight (although one which Hume shied away from) is that its success as a solution depends on the social authority of the expert whose job it is to invent theories, now that the expert can no longer appeal to the higher authority of God. Once experts achieve both the self-confidence to assert their systematic knowledge as “real”

and the social status to enforce allegiance to those assertions, she claims, the modern fact is born.

The most important of Hume’s useful fictions, according to Poovey, was that of the market system, which Adam Smith famously adopted as the centerpiece of his *Wealth of Nations*. She describes Smith, like Hume, as being ambivalent about claiming the expert authority which lent weight to the thoroughly modern “fact”. But she points to Smith’s famous reference to unintended consequences as paving the way for the modern economist to make such claims. Even though Smith intended his “invisible hand” as a blow to “reason of state” theorists who assumed that rulers could fully predict and hence govern the behavior of their subjects, the notion of unintended consequences also further enhanced his status as an economic expert who could discern productive results, at least in hindsight, where others saw only self-interest. Poovey next turns from Smith to Malthus, who appealed to the economic fact of overpopulation to draw attention to a less optimistic unintended outcome: procreation leads to social disaster. Because this claim was even more clearly opposed to orthodox religious teaching than Smith’s had been (and Poovey makes the same point about Ricardo’s “dismal” theory of rent), the result was to cut economists off from any possible “providentialist” interpretation that might yet discover “reality” in their theories by reference to God’s design.

With this final problem, *A History of the Modern Fact* comes to an end. Post-Ricardian economists are presented with a choice: try and patch back together the failed marriage between social science and natural theology, or go bravely forward, insisting ever more stridently that “facts” – and not merely fictional “systems” – do in fact prop up their theories. Poovey discusses J.R. McCulloch as a representative of post-Ricardian providentialism; and traces the development of the London Statistical Society as an example of the grim march forward. The march was grim, she suggests, because in their rush to base their social authority on the “facts” of political economy, they came face to face with the problem that neither Smith nor Ricardo had worried very much about “evidence” in the modern sense of empirical verification. Smith had relied on the rhetorical force of his striking claim that bad behavior yields good results, while Ricardo had staked his claim to expertise on internally-coherent mathematics; both, in short, had been happy to assume, along with Hume, that “fictions” could indeed be useful. The statisticians did not agree, so they simply collected facts and chastised anyone who did not do so as merely “literary”. Since the statisticians still claimed to be doing

social science, this move kept religious and social critics of political economy out of that domain, which in the long run allowed for further developments in economic theory (e.g. Jevons and Keynes). But, Poovey argues, this move certainly did not pave the way for any real solution to the problem of induction. As she concludes: "By stressing the incontrovertible nature of statistical 'facts' ... by way of contrast to the excesses and deceits associated with fiction and rhetoric, apologists for statistics were able to downplay the methodological problem of moving from whatever numbers were collected to general principles" (313-314).

Poovey's mission in this book is, as she states, to open a dialogue about the origins and limitations of modern knowledge claims. In this sense it is primarily educative and synthetic; but not, as in a survey textbook, with the aim of filling undergraduates with relevant facts and socializing them to organize their thoughts in accordance with the norms of an academic discipline. Rather, the goal is to educate other academics to take notice of lively debates in fields outside their own, and the topics in each chapter are intended to illustrate how some of the lessons of these debates might be applied in practice. What makes the book's ungainly structure work (to the extent that it does work) is exactly what makes a good graduate program turn out good students: readers who have already thought about some of these issues are invited to pursue them in surprising directions. The other side of this is that many historians who have spent a career examining a single thread of this story in far more detail than Poovey could possibly have done will be tempted to split hairs, or to find little value added to their area of special expertise (those who are tempted to respond to the book in this way should at least not ignore the extensive footnotes, where Poovey provides running commentary on her use of secondary sources). And economic historians who have never been interested in the problem of induction (a sizeable demographic, if Poovey's claims are correct) will most likely not have the patience to follow her arguments through to the end. In other words, this book is not very well designed to teach old dogs new tricks.

Poovey also uses her book to speak, more elliptically, to the ongoing academic debate over the merits of "post-modernism"; indeed, given her background as a literary critic, one way of reading this book is as an inquiry into the historical origins of postmodernism. At nearly every stage of her argument, she is careful to present examples of people proposing alternatives to the "modern fact" as a means of organizing knowledge. Hume, for instance, switched from treatises to essays after 1757 in order to encourage a more open-ended, conversational approach to knowledge; Samuel Johnson's *Journey to the Western Islands of Scotland* (1775) appears at the end of chapter five as a very early example of postcolonial critical theory, in which the Highlanders' agency is used to interrogate the limits of modern rationality. And Poovey concludes her book with the outright rejection of the "modern fact" by the Romantic poets Southey and Coleridge. These various efforts to get beyond a focus on grand theories and endless evidence, she argues, all anticipate to some extent the more general tendency of various "postmodern" writers today to "solve" the problem of the modern fact by rejecting it; by denying that knowledge needs to be about grand theories, and focusing instead on "micropolitics" or formal models. Although she doesn't explicitly say so, much of modern economic theory, at least dating back to Debreau, takes exactly this formalist approach to opting out of the problem of induction. As Poovey recognizes, though, and as the persistence of questions like "Is the New Economy Real?" suggests, the modern fact and its associated tensions are likely to remain with us for a long time to come.

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