

Guido Tortorella Esposito, Juan Hernández Andreu, *Realismo crítico y economía civil en España e Italia. Una perspectiva histórica*, Ediciones Paraninfo, Madrid, 2019, 215 pp.

The Ediciones Paraninfo of Madrid have recently published a book by Guido Tortorella Esposito and Juan Hernández Andreu entitled *Realismo crítico y economía civil en España e Italia. Una perspectiva histórica* (2019). The introduction, four chapters and conclusions make up the volume, closed by an appendix.

The aim of the book, stated in the introduction, is as follows: to demonstrate that there is always a connection between the philosophical approach prevailing in a historical period and the affirmation of certain economic doctrines. In this case, the specific reference is to critical realism, considered to be the most appropriate to the idea of humanism preferred by Tortorella and Hernández Andreu.

The four chapters that make up the book describe different stages of philosophical thought able to influence the formation of particular economic theories. The chapters, all structured in the same way, develop on a double level: a general one, referring to the theorists who, in different ages, contributed to the development of critical realism; the other more specific one, referring to the Spanish context.

The two authors regard critical realism as predominant from Ancient times to the end of the Middle Ages. For this reason, they devote the first chapter (*Ética, riqueza y “bienvivir”. La herencia aristotélica en el pensamiento económico de la Edad Media e inicios de los tiempos modernos*) to the influence that Aristotle’s thought had on Scholasticism. With reference to Spain, the focus is on Raimundo Lulio (1235-1315), on Luis Vives (1492-1550) and Francesc Marçal (1591-1688) who, a century apart, put forward philosophical theories in contrast with those of the School of Salamanca. The idea of a collective happiness that can guarantee individual happiness is the lowest common denominator among the main intellectuals of this long historical phase.

The second chapter (*Desde el Mercantilismo hasta la Época Ilustrada*) aims to illustrate the different ways in which Mercantilism and the Enlightenment answered the timeless question of whether public happiness comes before private happiness. Mercantilism overturned the idea established in Aristotle’s time, placing individual happiness as a priority, decisive for collective well-being. On the contrary, according to the authors, the Enlightenment recovered the approach of Scholasticism, making individual well-being derive from collective happiness, which must be pursued in the first instance.

On the specific level of economic policy in Spain, grappling with how to overcome the *Monarquía*

Hispanica crisis of the 17th century, the so-called “arbitrators” are remarkable. It is worth mentioning Francisco Centani and his proposal for the necessary reform of the tax system, anticipating the idea of a single tax, which was the subject of a fierce debate in the following century. For the 18th century, only Bernardo Ward and Pedro Rodríguez Campomanes are mentioned here, notable for having almost reached a «nivel científico de la Economía». More room is given to Spanish economists in the next chapter. Here there is the interesting case of the Italian civil economy, developed in Naples (among the most famous: Genovesi, Vico, Bianchini and Filangieri) and Milan (Verri, Beccaria, Romagnosi, Cattaneo and Rossini).

The third chapter (*Fisiocracia y Clasicismo en España*) identifies the Spanish authors interested in the predecessors of the Physiocratic school (in particular, Mirabeau). Nicolás de Arriquibar, Lorenzo Normante y Carcavilla, Malo de Luque and Valentín de Foronda are among them. However, in 1794, through the first Castilian translation of Smith’s *The Wealth of Nations*, the Spanish public had access to the theories of the “économistes”, as well as those of the founder of Political Economy. Ortiz and Jovellanos (among others) contributed to the diffusion of the Scottish work.

The chapter closes with a paragraph devoted to Jaime Balmes’ reply to economic liberalism: «El que la ciencia económica clásica haya caído en el grave error de la deshumanización se debe a que ha procedido haciendo caso omiso de las consideraciones sociales. De este modo, ha creado “un cuerpo de doctrina estéril” y “muy incompleto desde el punto de vista científico”» (p. 93). In my opinion, Balmes’ criticism of classical political economy risks being too simplistic, as classical political economy cannot be considered a single homogeneous block.

For example, Balmes’ idea that «la Economía Política» would be «muy poco [adelantada] como [ciencia] social» clashes with the overall structure of Smith’s work. For some time now, specialist literature has taken for granted the need to consider Smith’s work in its entirety, reading the *Wealth of Nations* and the *Theory of Moral Sentiments* (with the addition of *Lectures on Jurisprudence*) as an attempt—in many ways, successful—to explain the mechanisms of resistance by “commercial society” to individual motives. «According to Smith, individual behaviour and sociability are two sides of the same coin, which have to be explained, on the one hand, with reference to the set of endogenous characters (“passions and sentiments”) of individuals [...]; on the other hand, with

reference to the role of the historical environments in which individuals act» (Gioia 2019, p. 51).

Even the juxtaposition of *homo oeconomicus* with the Smithian individual risks being misleading. At the beginning of the fourth chapter (*Las teorías librecambistas del siglo XX como desarrollo del pensamiento clásico inglés. Sus fallos y posibles alternativas paradigmáticas*) one reads: «la figura del *homo oeconomicus*, según la visión iusnaturalista, actuando bajo el empuje de sus instintos del egoísmo y de la simpatía, es capaz de proporcionar el interés de la colectividad a través de sus acciones económicamente relevantes, finalizadas a la realización de sus propios intereses, sin ser dañinas por los demás» (p. 100). As is well known, Smith employs the expedient of the impartial spectator (which presupposes socially conditioned individual motives far from that of “pure economic rationality”). Smith intends to explain the ways the individual manages to pursue his own personal interests, without endangering the society to which he himself belongs. Only through respect for social rules can the individual survive and, with him, the society.

Furthermore, it may be useful to remember that the first theorisation of the concept of *homo oeconomicus* was made by John Stuart Mill in his treatise *On the Definition of Political Economy; and on the Method of Investigation proper to it* (1836). According to Mill it

was with J.B. Say (not with Smith) that Political Economy ceased to be a discipline seeking an overall vision of human conduct: «[...] now [...] Political Economy [...] predicts only such of the phenomena of the social state as take place in consequence of the pursuit of wealth. It makes entire abstraction of every other human passion or motive; except those which may be regarded as perpetually antagonizing principles to the desire of wealth, namely, aversion to labour, and desire of the present» (Mill 1976, p. 115).

It would be a mistake to confuse the individualism à la Smith with the methodological individualism of the «método austriaco y neoclásico» (p. 102), differentiated —here correctly— by philosophical premises and conceptions of the economic agent, his way of relating to the market and market equilibrium. The authors reconstruct at length the criticism by Keynes —and the post-Keynesians, such as J. Robinson, S. Dow, R. Kahn— of neoclassical methodological individualism, for its underestimation of uncertainty in the analysis of economic phenomena. This fourth and final chapter concludes with considerations on the failures of the neoclassical model at the time of globalization.

The appendix that closes the volume contains selected contributions by authors from the historical phases analysed in the first three chapters, to which an extensive and useful bibliography is added.

References

- Gioia V., *From “prudent man” to homo oeconomicus: Does historicity matter for the category of individualism?* “International Review of Economics”, 2019.
- Mill J.S., *On the Definition of Political Economy; and on the Method of Investigation proper to it* in Id. *Essays on some unsettled questions of Political Economy*; trad. it. *Saggi su alcuni problemi insoluti dell’economia politica*, Parrinello, Isedi, Milano, 1976.

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