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Virtue, Production and the Politics of Commerce: Genovesi's 'Civil Economy' Revisited

Adrian Pabst and Roberto Scazzieri

1. Introduction

The early modern invention of political economy involves a change from the coalescence between the economic and the political order that had been recognised since classical Antiquity (see, e.g., Schumpeter, 1954, part II, pp. 49-377; Langholm, 1998; Price, 2014). In the Western tradition, there was a distinction between *oikonomia* defined as the study of criteria leading to the 'right' allocation of resources within the household, and the polity defined as the 'right' balancing of interests within society as a whole. By contrast, according to the new science of political economy, economic life increasingly depends on material and social interdependencies between individuals or groups, and political life is more and more intertwined with the way in which any given society meets its material needs. In principle, the interdependencies that make possible the material existence (and reproduction) of society can be identified regardless of the arrangements, which constitute that society into a political body. In practice, however, it is impossible to separate the political from the material conditions of social reproduction.

The aim of this paper is to contribute to the analysis of the mutual implication between the economic and the political order of society by revisiting Antonio Genovesi's theory of *civil economy* ('*economia civile*') defined by him as 'the political science of the economy and commerce' (Genovesi, 2013, p. 11).¹ Genovesi's economic-political treatise – the *Lezioni di economia civile* (*Lectures on civil economy* [1765-1767]) – was a major contribution to debates in the mid- and late eighteenth century on the nature of political economy and on the conditions for the effective production and reproduction of wealth in

¹ All translations from Italian are ours, unless otherwise specified.

² Within twenty years, the *Lezioni* had been translated into a variety of foreign languages (Venturi, 1960). The German translation by August Witzmann (Genovesi 1776), which had been dedicated to a group of young

sovereign states open to international trade. At that time, Genovesi's book was extensively translated and discussed across continental Europe and Latin America, where it was read as a foundational text of political economy like Adam Smith's *Wealth of Nations*.² To this day, there is no full English translation of the *Lezioni*, but the current revival of interest in Genovesi's ideas adds to the case for an English edition of Genovesi's main work.

Genovesi's engagement with the interplay of economic and political ideas is central to this revival of interest in Genovesi's contribution to the theory of political economy. However, different strands of the literature on Genovesi have emphasized different aspects of his ideas. John Robertson has pioneered research into the cosmopolitan setting of the Neapolitan Enlightenment and has argued for the central role of 'peripheral' cultures (like that of the Kingdom of Naples and Sicily and that of Scotland) in the making of core Enlightenment beliefs concerning the possibility and actual course of improvement (Robertson, 1997, 2005). On the other hand, Sophus Reinert has focused on Genovesi as an early development economist and has emphasized Genovesi's awareness of asymmetries in a world economy characterized by interdependence between countries at different stages of development and with unequal political influence (Reinert, 2007, 2011). A third strand of literature, pioneered by Luigino Bruni, Robert Sugden and Stefano Zamagni, has examined Genovesi's moral anthropology, considering it as the foundation of his approach to the analysis of economic actions in a relational and political setting (Bruni, 2012; Bruni and Sugden, 2000; Bruni and Zamagni, 2004, 2013; D'Onofrio, 2015). Our paper seeks to explore the coherence between the different strands of Genovesi's contribution to economic

² Within twenty years, the *Lezioni* had been translated into a variety of foreign languages (Venturi, 1960). The German translation by August Witzmann (Genovesi 1776), which had been dedicated to a group of young Russian aristocrats studying in Leipzig, became a standard economics textbook at German Universities (Venturi, 1960) while the Spanish translation by Victoriano de Villava exerted a similar influence on the early teaching of political economy at Spanish institutions (Astigarraga, 2004; Astigarraga and Usoz, 2007, 2013). By the early nineteenth century, there was also a partial translation into French by M. Pingeron (Venturi, 1960) and one into Portuguese by Ricardo Nogueira (Vaz, 1999). Genovesi's *Lezioni* became part of the political economy curriculum in several Spanish American Universities (Reinert, 2011, pp. 273-4) and guided the early economic development strategy pursued by the Argentinian Republic immediately after her declaration of independence in 1816 (Chiaromonte, 1964; Fernandez López, 2007).

thinking. We argue that Genovesi's core analytical beliefs are to be associated with a 'political view' of the economy, in which the *interdependence* between social units (individuals or groups) takes precedence over the specific dispositions and actions of particular actors within the social domain.³ According to Genovesi, this interdependence highlights the prevalence of '*forza concentriva*' (concentrating force) over '*forza diffusiva*' (dispersing force) and is conducive to the analysis of the conditions allowing the mutual fitting of heterogeneous socio-economic groups in a political economy capable of maintaining itself in a state of balance between those two forces (Genovesi, 1973 [1766]; see also Guasti, 2006, pp. 392-93). In our view, this attention to the structural conditions allowing a polity to survive and to make progress is a key characteristic feature of Genovesi's contribution to political-economic thinking, and provides a coherent conceptual framework encompassing Genovesi's moral and political anthropology, his economic policy views, and his approach to asymmetric relationships between states in the international economic-political sphere.

The argument of our paper is developed in four sections. First, we retrace Genovesi's conception of 'civil economy' as a branch of 'political science' (*scienza politica*) and the role of 'virtue' in ordering the polity according to 'the nature of the world' (*Lezioni*, II.10.xii, in Genovesi 2013, p. 349). Second, we examine Genovesi's theory of production as an

³ Our interpretation is consistent with Eluggero Pii's view that 'Genovesi looks at civil economy as the meeting point of a variety of themes. Civil economy deals with the whole set of problems of life in society [...]. It represents the intertwining of individual and collective problems, so much so that it seems to me more appropriate to render "civil economy" as "civil politics" ' (Pii, 1984, p. 19). More recently, Francesco Di Battista has argued that 'the key idea behind the whole of the first part of the *Lezioni* is that of *corpo politico*. [...] The first four chapter explicitly consider 'political' or 'civil' bodies; but also subsequent chapters, starting with chapter five on population and then the chapters on 'industry' and social classes (chapters VII-XV) and the chapters on trade (chapters XVI-XX), can be understood in their sequencing and content only within that interpretive framework' (Di Battista, 2007, pp. 298-99). Genovesi's view of 'civil economy' as a branch of *scienza politica* calls attention to a systemic approach to the balancing of concentrating and dispersing forces and highlights in his theory the contribution to the understanding of the political economy of civil society (see also Pabst and Scazzieri, 2012; see also Venturi, 1969, pp.523-644, Zambelli, 1972 for two different, but in our view ultimately complementary, approaches to the relationship between Genovesi's philosophical anthropology and his theory of political economy). This paper builds on the view of the economy as political body by arguing that Genovesi focuses on the *constitutive link* between moral dispositions, political arrangements, and the material arrangements for the provision of human needs.

exploration into the complementarity conditions that productive activities should meet for a well-functioning polity to persist over time. Here we focus on Genovesi's analysis of the relationship between the economic and political orders of society and the sequential arrangement of production stages in the transformation processes leading from raw materials to finished consumption goods. Third, we emphasise the importance of Genovesi's analysis of production structures for his theory of internal and foreign trade. In this connection, we examine in section four Genovesi's idea that the maintenance of a country's 'trading fund' should be the fundamental objective for internal and external trade policies consistent with the proportionality requirements of the body politic.

2. Virtue and Polity in Genovesi's Political Economy

In the preface ('*Proemio*') to his *Lezioni di economia civile*, Genovesi discusses the position of his discipline relative to political studies, and outlines a distinction of the latter between 'civil economy' (*economia civile*), considered as that part of political science "that encompasses the rules to make one's nation populous, rich, powerful, wise, and polite" and 'political tactics' (*tattica politica*), considered as the 'art of making laws and preserve State and Empire' (*Proemio* to the *Lezioni*, in Genovesi, 2013, p. 9). This point of view also distances Genovesi's '*economia civile*' from 'economia', which he clearly describes in terms of classical *oikonomia*: 'economics looks at the human being as head and prince of his family and instructs him how to well preside over it, and to bestow it with virtue, riches and glory' (*Proemio* to the *Lezioni*, in Genovesi, 2013, p. 9). The political character of *economia civile* is also shown by the three references given in the *Proemio*: Montesquieu's *Esprit des Loix* (Montesquieu, 1749), Bielefeld's *Institutions politiques* (Bielefeld, 1760), and Melon's *Essai politique sur le commerce* (Melon, 1736).

At the same time, Genovesi makes clear that political science (which includes *economia civile*) cannot be addressed without a prior investigation into the inner structure of human beings (their '*impasto*'), the nature of their 'instincts, affections and motives', and the ultimate grounds for the good life ('*ben vivere*') (*Proemio* to the *Lezioni*, in Genovesi, 2013, p. 9). This conception is central to Genovesi's economic thought because it raises fundamental questions about the connection between human nature, sociability and commerce. There is here a complex interplay of philosophical, anthropological and political considerations whose roots can be found in the Neapolitan intellectual environment of the first half of the eighteenth century (Garin, 1958; Suppa, 1971; Bellamy, 1987, Robertson, 2005). In particular, Genovesi's philosophical anthropology is remarkably consistent with Paolo Mattia Doria's analysis of the relationship between passions and reason, and of the role of rational images in governing the acquisition of knowledge and the determination of practice in view of both individual and social betterment: 'I do not lay any hope in perfection [...] but I cannot withdraw from aiming at it; if I do not strive for it, corrupted nature would certainly lead me to its opposite: and by attempting to attain perfection, I would at least cast a good human being, if not the best; similarly, by altogether forgetting about perfection, I would end up with the worse' (Doria, 1729, p. 399).

Doria's notion of perfectibility anticipates Genovesi's conception of 'civil economy' by suggesting that rational arrangements can enable human beings and societies partially to overcome drawbacks and imperfections and thereby fulfil their natural potential for mutual wellbeing:

[t]he invention of civil life aims at providing a remedy to this almost moral impossibility, which is in human beings, of possessing all virtues, and to the human property that each human being possesses only some of them [...] [Civil life] aims at providing this remedy by assigning every particular virtue to its own

place in the company of others, so that it may be an advantage to them, and also so that individual vices are not harmful to others [...]. This shows the true essence of civil life as that mutual exchange of virtues, and of natural faculties, which human beings make with one another, so as to achieve human happiness; or else an harmony brought about by all particular virtues mutually supporting each other in order to constitute a perfect political body (Doria, 1729, pp. 82-83).

Doria's 'mutual exchange of virtues and of natural faculties' is also at the heart of Genovesi's approach to social differentiation and division of labour (as section 3 explores in greater detail). It is noticeably different from Smith's grounding of the division of labour in "the propensity to truck, barter, and exchange one thing for another" (Smith, 1976, Book 1, ch. 2; see, however, Smith, 1976 [1759] for an explanation of that propensity in the relational framework of social mirroring).⁴

The emphasis on the congruence of dispositions as the ultimate foundation of civil life is common to Doria and Genovesi, and leads Genovesi to approach civil economy through a preliminary investigation into the nature of 'political bodies' (*corpi politici*), and into the human dispositions on which political bodies are founded. In this connection, Genovesi maintains that political science should avoid an excessively narrow concentration of attention upon certain dispositions in lieu of others. This is especially true in the case of 'interest', whose meaning Genovesi carefully examines:

If we call *interest* to lessen pain and worry [...] it is clear that the human being only acts after this motive. However, I believe that, in the ordinary way of thinking and speaking, it would be wrong both to say that the human beings only

⁴ The principal difference between Doria and Smith is that Doria roots division of labour in the 'mutual exchange of [different] virtues, and natural faculties' (see above; our insertion), whereas Smith *presupposes* a single 'propensity' (the "propensity to truck, barter, and exchange one thing for another") and makes it the foundation of civil society.

act in consideration of their interest, and to deny it. There are people who consider as interest nothing but a *reflexive self-love* and it is false that every human being only acts after this motive. For nothing is clearer by experience than the fact that the human being is an *electrical being* and that the sympathetic principle is the mainspring of [most] human actions. But if by interest we mean indulging to, and assuaging, those pains, troubles and discomforts in which the *restlessness of the soul* consists, we would find we do not act under any other principle, independently of whether our action is motivated by a good or a bad passion (*Lezioni*, I.2.vi, in Genovesi, 2013, p. 34; author's emphasis).

The distinction between 'interest' and 'reflexive self-love' allows Genovesi to address the issue of 'virtue' as a constitutive element of the human dispositions conducive to the formation and maintenance of a viable polity (see also Marcialis, 1994, 1999). For Genovesi, in accordance with Shaftesbury and Doria, considers virtue to be "the harmonic consilience between passions and reason", independently of whether our interest is directed to ourselves or to the public good (Shaftesbury, 1711, quoted in *Lezioni*, I.2.xii, footnote 1; in Genovesi, 2013, p. 38n41).⁵ In this way, 'virtue' becomes a measuring rod for assessing the consilience between passion and reason in the practice of human beings, as well as for evaluating to what extent the structure of a polity is compatible with the prevailing ways of achieving consilience in a *specific* historical context.⁶

⁵ In Genovesi's words: '[h]ere by virtue I mean the harmonic consilience between passions and reason, both in regard to ourselves and with respect to our concern for the public good. See Shaftesbury, *Inquiry concerning Virtue and Merit*, book II' (*Lezioni*, I.2.12, footnote 1; in Genovesi, 2013, p. 38n41). Emphasis on consilience between passions and reason is also an important common feature in Doria's and Genovesi's understanding of trust as social bond (see below). As Anthony Pagden argues, '[f]or Doria and Genovesi, the notion of trust as a dimension of social behaviour involved a crucial element of the incalculable, of the non-rational' (Pagden, 1988, p. 129).

⁶ The practice of virtue represents therefore a mediating middle between extremes, just like courage stands between the extremes of recklessness and cowardice (as for Aristotle). Unlike Machiavelli who opposed virtue to vice, Genovesi follows the Neo-Platonist tradition by arguing that virtue is a 'middle' between vices (Genovesi, 1977, p. 252; cf. Pabst, 2011). Maintaining this equilibrium is not a matter for the natural sciences or

The consequences of this point of view for the structuring of economic life are far reaching. Here too Doria provides the starting point from which Genovesi develops a complex, multi-layered system of political economy (see Costabile, 2012, 2015; Perna, 1999). As we have seen, Doria thought that a foundational aspect of ‘civil life’ is the ‘mutual exchange of virtues, and of natural faculties, which human beings make with one another’ (Doria, 1729, p. 82-83). This approach had suggested to him the distinction between ‘natural economy’ and ‘abstract economy’ (Scazzieri, 2012a). The purpose of ‘natural economy’ is ‘the appropriate arrangement and distribution, and the increase of real wealth’ (Doria, 1729, p. 318). On the other hand, the purpose of the ‘abstract economy’ is ‘the maintenance and increase of money, which is imaginary’ (Doria, 1729, p. 318). This conception of economic life within the body politic led Doria to outline the further distinction between ‘real trade’ and ‘ideal trade’, where ‘real trade’ is mutually advantageous trade (that is, trade conforming to the principle of ‘*mutuo soccorso*’), whereas ‘ideal trade’ is trade rooted in the exploitation of price differentials, which would ultimately lead to a zero-sum game situation in which one trader’s advantage entails another trader’s loss (Doria, 1981 [1740], p. 148; see also Poni, 1997).

In Doria’s conception, a ‘natural economy’ is distinguished by proportions between different activities that make them conducive to a viable *vita civile* (civil life).⁷ This point of view is also behind Genovesi’s idea of ‘civil economy’ and of his attitude to trade *within* any given political body as well as *across* different nations. For Genovesi, trade is constitutive of civil life as a result of the existence of ‘reciprocal needs’ (*scambievoli necessità*) and the

abstract contemplation but rather a function of both reason and judgement. This is why he contends against modern rationalism that ‘reason is not useful unless it has become practice and reality’ (Genovesi, 1962, p. 245). In turn, this shapes his conception of virtue, which is not part of the artifice of human volition but rather reflects a certain natural and social order (albeit in an imperfect and deficient manner) that the polity is supposed to preserve and improve. As Genovesi writes in the *Lezioni*, virtue is not ‘an invention of philosophers’ but instead ‘a consequence of the nature of the world’ (*Lezioni*, II.10.xiii, in Genovesi 2013, p. 349).

⁷ Doria’s approach anticipates features of the contemporary literature on the proportionality conditions for ‘natural’ paths of economic dynamics ensuring full employment and full utilization of productive capacity (Pasinetti, 1981, 1993; Scazzieri, 2012b).

‘reciprocal obligation to assist one another in our needs’ (*reciproca obbligazione di soccorrerci nè nostri bisogni*) (*Lezioni*, I.1.xvii, in Genovesi, 2013, p. 22). In this connection, the human capacity for ‘virtue’ is not an abstract normative benchmark but a matter of fact; it is inscribed in the structure of reality and can be seen as an ordering device within the polity, enabling individuals and groups better to realise their natures. Genovesi’s *reciproca obbligazione di soccorrerci* through the mutual exchange of goods and services is remarkably close to Doria’s view of civil life (see above), and in turn entails a specific attitude to the way in which exchanges take place. For the *reciproca obbligazione di soccorrerci* makes trade central to a well-functioning polity. However, it should be conceived and governed according to the principles of ‘real commerce’, which in turn presuppose overcoming the view of economic transactions as zero-sum games (Costabile, 2012). In this connection, Genovesi maintains that without public trust (*fede publica*) there will not be a society leading to ‘the propensity for civil life, and thus to the spirit of industry, which bring about the opulence of the State’ (*Lezioni*, II.10.ii, in Genovesi, 2013, p. 342).⁸

Indeed, public trust is not so much the aggregation of private trust as a kind of universal sympathy that includes a disposition towards the good life (*ben vivere*). To quote from the *Lezioni*: ‘Public trust is therefore a bond that ties together and binds persons and families of one State to one another, with the sovereign or other nations with which they trade’ (*Lezioni*, II.10.i, in Genovesi, 2013, p. 341n121). In the following paragraph Genovesi clarifies that public trust, far from being merely instrumental or functional, constitutes a unifying interpersonal force – similar to Hume’s notion of universal sympathy.⁹ Indeed, Genovesi writes that ‘[p]ublic faith is to civic bodies what to natural bodies is the force of cohesion and of reciprocal attraction; without which there can be no solid and lasting mass,

⁸ Genovesi notes that ‘the Latin word *fides* [Latin for ‘trust’] is the Greek σφιδις, which means string, bond, which binds and unites.’ (*Lezioni*, II.10.i, footnote 1; in Genovesi, 2013, p. 341n121).

⁹ Hume himself speaks of ‘the coherence and apparent sympathy in all the parts of this world’ (Hume, 1948 [1779], XII, p. 86). This echoes ancient and medieval conceptions (drawing on Platonist, Stoic and Hermetic sources) of hidden powers that bind together the cosmos, the body and human society.

and all is but fine sand and dust' (*Lezioni*, II.10.i, in Genovesi, 2013, p. 342). In its absence society 'being so little interconnected and bound, would seem to be ready to dissolve at the first shock just like a pile of sand' (*Lezioni*, II, 10.i, in Genovesi, 2013, p. 342).

Public trust promotes the social bonds and civic ties that are indispensable for economic cooperation and civil life. Without public trust, individual rights and commercial contracts cannot work. As a result, criminal activity that undermines public trust leads to a situation where 'society will either dissolve itself, or it will convert in its entirety into a crowd of bandits' (Genovesi, 1757a, p. 496, see also Reinert, 2011, p. 227).¹⁰ Moreover, within strictly economic terms, long-term considerations might temper any short-term selfishness. To use a Smithian analogy, you and your local butcher would equally like each other to remain in place. Hence, by implication, both social and economic reasons could influence an agreed price: a 'gift' element might be added to the seemingly self-contained contractual setting. In this way, markets are mediated by interpersonal relationships and the operation of both the invisible and the visible hand is not seen in mechanical terms, but rather as building on social networks that constitute 'civil life'.¹¹

In short, Genovesi's conception of 'civil economy' as a branch of political science views virtue as the central ordering device within the polity for individuals and groups to realise their natural sociability. This requires an alignment of material interests such as economic growth based on production and trade with immaterial purposes like wellbeing. This point of view highlights the relationship of Genovesi's political economy with the Renaissance and early modern tradition of *vita civile* (primarily of course with Doria's

¹⁰ Here Genovesi echoes Augustine's point that 'without justice what else is the state but a band of robbers' (*De Civitate Dei*, Book IV, 4).

¹¹ This intertwining of division of labour, commerce, and public trust explains Genovesi's emphasis on educational reforms: 'the practice of reason could bring knowledge, wealth, *virtù*, and public happiness, but this would never occur unless [...] it was brought to the common people through radical educational reform' (Reinert, 2011, p. 193). Thus, Genovesi views political economy not as a technical science at the service of material interests but instead as a transformative science, the 'chosen channel for enlightening the kingdom's lower classes, and the vehicle for reform, not only of formal institutions but of people's patterns of thought and behaviour' (Reinert, 2011, p. 194).

formulation of the latter). At the same time, Genovesi acknowledges the ‘natural’ dimension of trade and division of labour and for this reason distances himself from an unqualified criticism of commercial society. According to Genovesi, commerce is not necessarily the antithesis of virtue, but the commerce of a ‘virtuous’ polity should meet the structural conditions that make internal and external trade consistent with the maximization of wealth and welfare both in individual countries and internationally.¹²

To sum up: the production and trade order of a civil economy are both a reflection of a properly ordered polity and help to sustain civil life. This brings into view the *proportionality principle* that is at the core of Genovesi’s analysis of the relationship between the different economic activities in the body politic,¹³ as the two following sections develop in greater detail.

3. The Production Order of a Civil Economy

A well-ordered polity presupposes the arrangement of individual and social actions according to a criterion allowing any given political body to fulfil its potential in the best possible way. The material configuration of the civil economy is central to the attainment of what Genovesi sees as the ultimate goal of political life, that is, the orderly subsistence of the ‘just population’ living on the territory of each polity. The concept of ‘just population’ is central to Genovesi’s theory of the political order: ‘The first fund of strength for a state is the number

¹² Genovesi’s point of view suggests a middle course between the two positions that came to characterise the virtue vs. commerce debate in eighteenth century Britain and United States. Genovesi rejects both the pessimist view of commercial society held by the ‘Country Party’ and the uncompromisingly realist attitude to commerce held by the ‘Court Party’ outlining a theory of trade informed by structural principles and by the distinction between the potential advantages of trade and its limits under specific institutional and historical conditions (see section 4; see also Bailyn, 1967; Appleby, 1976; Pocock, 1972; Hont and Ignatieff, 1983; Kalyvas and Katznelson, 2008).

¹³ In this connection, Lucio Villari pointed out that ‘the principle of *equilibrium* or *proportionality* [...] is of great importance to Genovesi’s economic system [...]: it governs [...] any expression of the economic and socio-political life (see below the principle of *just population*, that of the *proportion* between different professional groups, of the *egalitarian diffusion* of money, of the *proportion* between goods and needs, and so on) [...] The *law of equilibrium*, as Genovesi sees it, perhaps gives the key to the whole of Genovesi’s system’ (Villari, 1959, p. 72).

of families, its *just population*' (*Lezioni*, I.5.i, in Genovesi, 2013, p. 50). A 'just population' is defined as the population that a state can support given 'its extension, climate, fertility of land, location, and ingenuity of its inhabitants' (*Lezioni*, I.5.ii, in Genovesi, 2013, p. 50). 'Just population' is thus closely dependent on available resources and on the ways in which those resources can be put to use. Any well-functioning political order presupposes a proportionality condition, as far as both under- and over-population are contrary to the principles of a well-run polity: '[t]hat cry *population, population*, which is so widespread among politicians, if it is not governed by the [just population] principle, can become the most terrible cause of depopulation. For as nature ceases to nurture human beings they start devouring each other' (*Lezioni*, I.5.ii, footnote 1, in Genovesi, 2013, p. 50n65).

The emphasis on just population as the foundation of the political order of society leads Genovesi to conceive 'political arithmetic' and 'political geometry' as the most fundamental components of political science. The former (political arithmetic) provides the *evidence* about the means available in a given state to support a population; the latter (political geometry) provides the *proportionality conditions* that any given polity should follow for those resources to support the corresponding just population (*Lezioni*, I.5.iii, in Genovesi, 2013, pp. 50-1).¹⁴ 'Political geometry' thus determines the rules that a state should follow in promoting the most effective organisation and utilisation of available resources, that is, the organisation allowing the 'just population' proper to that state. In short, Genovesi calls attention to the three conditions of 'scale', 'structure' and 'maintenance' that need to be satisfied for a political body to survive and fulfil its potential (*Lezioni*, I.1.xxx-xxxv, in Genovesi, 2013, pp. 28-9). The main measure of 'scale' is population size, while 'structure'

¹⁴ See also Giarrizzo (1981) on the role of proportionality conditions with specific reference to the real or imagined ancient (pre-Roman) historical heritage of the Kingdom of Naples and Sicily (see, in particular, Giarrizzo, 1981, pp. 177-239).

denotes the production order in relation to the principle of ‘just population’, and ‘maintenance’ refers to resilience over time.¹⁵

In terms of Genovesi’s economic thought, the ‘production order’ is vital for a civil economy and it may be defined as the arrangement of productive activities conducive to the greatest welfare of ‘just population’. Genovesi’s productive activities are primarily processes of transformation of raw materials into final consumption goods through sequentially related stages. This point of view presupposes the idea of a *temporal arrangement* of production stages and leads to the identification of a *hierarchy* between productive sectors existing side by side within the economic system.¹⁶

Production theory is central to Genovesi’s political geometry and determines the hierarchical arrangement of productive activities. At the core of Genovesi’s theory of production is the distinction of productive activities (‘*arti*’) into three principal categories: (i) ‘fundamental arts’ (*arti fondamentali*); (ii) ‘arts of improvement’ (*arti miglioratrici*); (iii) ‘arts of luxury’ (*arti di lusso*)¹⁷. The first category (fundamental arts) includes activities delivering primary commodities, which are commodities that are not themselves ‘transformations’ of other raw materials (*Lezioni*, I.8.i, in Genovesi, 2013, p. 80). The fundamental arts include hunting, fishing, husbandry, agriculture and metallurgy (*Lezioni*, I.8.i, in Genovesi, 2013, p. 80). The second category (arts of improvement) includes activities transforming the produce of fundamental arts into goods needed to make the fundamental arts themselves more effective (such as metal product manufacturing, textile production,

¹⁵ Genovesi’s distinction between political arithmetic and political geometry in the discussion of population issues invites comparison with Giovanni Botero’s and Thomas Robert Malthus’s emphasis on the need to maintain the relationship between population and resources on a sustainable path (Botero, 1635 [1588], Book III, see also Botero, 1985; Malthus, 1798). A distinctive feature of Genovesi’s contribution is the emphasis on the proportionality condition that the production and institutional arrangements of any given society should meet in order to enable that society to maintain the ‘just population’ corresponding to its endowment of resources.

¹⁶ Genovesi’s conception differs significantly from Quesnay’s idea of a ‘circular economy’. Cf. Quesnay (1759).

¹⁷ Villari calls attention to Giambattista Vico’s influence on Genovesi’s hierarchy of productive activities (Villari, 1959, p. 90). Vico had written that “human beings first feel what is *necessary*; then they pay attention to what is *useful*: subsequently they give consideration to what is *convenient*; and in the end they get lost in *luxury*” (Vico, *Scienza nuova*, section LXVI, our translation; see Vico, 1996 [1744], p. 336).

carpentry, and so on). A general principle governing the arts of improvement is that they should ‘help and sustain the primitive [fundamental] arts’ (*Lezioni*, I.9.ii, in Genovesi, 2013, p. 93). As to the ‘arts of luxury’, they are production activities triggered by artificial needs, which are nevertheless to be taken seriously as they are the unavoidable consequence of the civilization process (*Lezioni*, I.10.vi-xiii, in Genovesi, 2013, pp. 94-5).

Genovesi’s approach to the arrangement of productive activities in a well-ordered polity leads him to outline the principles that a sovereign state should follow in promoting those activities so that a ‘just population’ may subsist on that state’s territory. A well-defined sequencing of ‘fundamental arts’ follows from those principles (see also Villari, 1970). Hunting is considered ‘the least apt at nurturing a great population’ (*Lezioni*, I.8.ii, in Genovesi, 2013, pp. 80-1) due to the need for ‘large fields and uninhabited woods’ (*Lezioni*, I.8.ii, in Genovesi, 2013, p. 80). There are therefore strict limits to the contribution that hunting can make to the ‘fund of wealth for a populous nation’ (*Lezioni*, I.8.ii, in Genovesi, 2013, p. 80). Fishing and husbandry would be more effective (*Lezioni*, I.8.iv-vi, in Genovesi, 2013, pp. 81-2). However, both are subject to constraints that significantly limit their respective contribution to a nation’s ‘fund of wealth’. For fishing suffers from considerable uncertainty of yield, while husbandry requires ‘large pastures and uncultivated lands’ (*Lezioni*, I.8.v, in Genovesi, 2013, p. 81).

On the other hand, agriculture is seen as ‘the richest fund available for supporting a large population and an extensive commerce in a temperate climate’ (*Lezioni*, I.8.vii, in Genovesi, 2013, p. 82). Indeed, Genovesi also suggests a ranking of different agricultural activities, such that the position of each activity in the ranking reflects its relative effectiveness in the generation of wealth. For countries under temperate climatic conditions this ‘maximizing sequence’ has corn production first, oil second, wine third, silk fourth, and forest cultivation fifth (*Lezioni*, I.8.viii-xv, in Genovesi, 2013, pp. 82-6). Finally, the

sequence of fundamental arts includes metallurgy. The position of metallurgy reflects the fact that the making of metals is essential to the fabrication of agricultural instruments while being inadequate to the maintenance of a large population (*Lezioni*, I.8.xvi, in Genovesi, 2013, pp. 86-7).

The fundamental arts are necessary for the reproduction of material living conditions in a well-ordered polity. However, the progress of civilization makes the ‘arts of improvement’ indispensable, as maintenance involves the availability of goods that the fundamental arts cannot provide (*Lezioni*, I.8.xvii, in Genovesi, 2013, p. 88). Indeed, the requirements of fundamental arts (and of those employed in them) should regulate the proportions between the different ‘arts of improvement’ in the formation of a nation’s wealth fund (see also Galasso, 1977). This criterion suggests a ‘maximizing sequence’ for the arts of improvement, according to which a nation should first develop the arts of improvement (the manufactures) directly related to the needs of fundamental arts, and only subsequently the manufacturing activities making products in demand with ‘other classes’ (*Lezioni*, I.9.ii, in Genovesi, 2013, p. 93). Finally, the activities that are useful to the nation as a whole should be developed. This criterion gives priority to the making of metal instrument, followed in sequence by the making of textiles, carpentry, construction, and so forth (*Lezioni*, I.9.viii, in Genovesi, 2013, p. 97). As to the ‘luxury arts’ (the third category in Genovesi’s classification of productive activities), a nation should generally encourage them as long as they are not detrimental to the fundamental arts and the arts of improvement. On the other hand, a nation should mitigate luxury whenever it may become an obstacle to the development of internal activities, or when there is the danger that it may upset the balance of trade with other nations. In Genovesi’s words:

[T]he laws of luxury [...] are: I. *[to] let free course to that type of luxury that nurtures internal arts.* II. *To regulate external luxury* [i.e. luxury leading to

purchase of foreign goods] *according to the proportion that any given population [i.e. any trading nation] has in general trade*. This means that import duties should increase if too many foreign goods are imported. III. *To moderate internal luxury generated by distinctions between social classes and social functions whenever those distinctions may endanger the general order [of the state] (Lezioni, I.10.xxxii, footnote 2, in Genovesi, 2013, p. 115n200; author's emphasis).*

Genovesi's view of luxury is closely connected with his analysis of the contribution of each productive activity to the formation of national wealth. The demand for luxury goods may act as positive trigger both for the fundamental arts and for the 'arts of improvement'. This is true if luxury goods are internally produced (*Lezioni, I.10.xxiv; in Genovesi, 2013, pp. 110-11*). It may also be true for *limited* imports of luxury goods, since 'small quantities of foreign goods need to be exchanged with internally produced goods, and this trade would stimulate internal industry' (*Lezioni, I.10.xxiii; in Genovesi, 2013, p. 110*). Indeed, demonstration effects from one class of consumers to another might trigger import substitution leading to internal manufacturing of luxury goods (*Lezioni, I.10.xxiii; in Genovesi, 2013, p.110*).¹⁸

To conclude: production theory identifies a ranking of productive activities that reflects the position of each activity within the hierarchy of interdependent activities in the

¹⁸ In Genovesi's words 'our ancient Italians, who used to purchase silk fabrics from the East, due to emulation woke up and tried to manufacture their own [fabrics], making them as beautiful as those of Egypt, Syria and Persia. The Flemish imitated the Italians, the French the Flemish, and the English the French' (*Lezioni, I.10.xxiii; in Genovesi, 2013, p. 110*). A central feature of Genovesi's view of luxury is the emphasis on the structural requirements for an expanding final demand to trigger a self-sustained growth process. For luxury may or may not be compatible with the latter objective depending on whether bottlenecks in the availability of produced and non-produced means of production can be avoided (see De Luca, 1969, pp.103-105 and 113-20, where attention is drawn to the similarities between Genovesi's approach to development strategy and subsequent contributions to balanced growth trajectories such as those by P. Rosenstein-Rodan, 1943, P. Mahalanobis, 1953, and R. Nurkse, 1953). Genovesi's approach to the *differentiated diffusion effects* of alternative patterns of manufacturing development anticipates Cesare Beccaria's view that export-led growth triggered by luxury goods might lead to increased imports of the raw commodities needed as inputs for those goods rather than to expanding internal demand for mass consumption goods (Beccaria, 1971 [ms circa 1769], p. 396; see also Scazzieri, 2014, Porta and Scazzieri, 2015).

production system. This hierarchy determines the sequencing of those activities in terms of their respective effectiveness for the maximization of each nation's wealth fund. As we shall see in the following section, such a sequence provides a criterion that can determine differentiated trade policies (free trade versus protection) for diverse commodities depending on the position of each commodity in the formation of national wealth.

4. Trading Funds and the Politics of Commerce

Genovesi's production theory determines the trade conditions conducive to wealth maximization within any given polity (*commercio interno*) as well as across different polities (*commercio esterno*). In either case, Genovesi's approach is rooted in the principle that 'everything is connected in the civil body, and there is a communication of goods between all the arts that makes them solid and thriving' (*Lezioni*, I.9.viii, in Genovesi, 2013, p. 95). In particular, the mutual connectedness of the different arts goes hand in hand with their hierarchical arrangement according to the sequencing and proportionality criteria highlighted in production theory (see above). These criteria are central to Genovesi's analysis of 'virtuous' commerce in a well-ordered polity. In fact, the hierarchical interdependence of production activities implies that not all activities may contribute to a nation's wealth fund in the same way and to the same degree, even if all activities may provide means of subsistence to people employed in each one of them separately considered:

[A]ll economists and politicians will tell you that the secondary arts (these are the manufacturing 'arts of improvement') provide subsistence to many families and are helpful to the state. This is true. However, few will tell you in which way those arts provide the means of subsistence. The spinner, the weaver, and any other worker employed in a field different from primary production can eat, drink, make oneself warm, and so forth, thanks to the agriculturist, the shepherd,

the fisherman, and so forth. Thus, those arts can only provide means of subsistence to the population for one or the other of the two following reasons: (i) by helping the primitive arts making them more productive; (ii) by securing through foreign trade what can serve as means of subsistence while giving in exchange raw materials improved through the manufacturers' work. And this reason is always more effective than the first (*Lezioni*, I.9.x, in Genovesi, 2013, p. 96n161).

Mutual needs are at the root of the general connectivity between the different sectors of a civil body (*corpo civile*), and it is this general connectivity requirement that explains why 'internal commerce' is a necessary condition for the subsistence of the civil body itself: 'we cannot conceive of a state without this type of commerce' (*Lezioni*, I.16.xv, in Genovesi, 2013, p. 176). This connectivity requirement also explains why 'external commerce' (international trade) is 'not only of very great advantage to any civil body, but also of great necessity to it' (*Lezioni*, I.16.xvi, in Genovesi, 2013, p. 176). Indeed, according to Genovesi, 'a civil body without external commerce would never be as populated and wealthy as the fertility of its soil and its other internal forces would allow' (*Lezioni*, I.16.xvi, in Genovesi, 2013, p. 176). If mutual needs make trade a necessary instrument of wealth formation, then the availability of a *tradeable surplus* is in turn necessary to the successful conduct of trade: '[t]rade is [...] *to exchange surplus for what is necessary*' (*Lezioni*, I.16.v, in Genovesi, 2013, p. 172 [original italics]).¹⁹

At the core of Genovesi's theory of trade in general and of international trade in particular is the concept of 'trading fund' (*fondo di commercio*). The trading fund is the

¹⁹ Eluggero Pii, referring in particular to Genovesi's manuscript lectures for the academic year 1757-58 ('Elementi di commercio', Biblioteca Nazionale di Napoli, ms. XIII-B-92) notes that 'in a general synthesis of the history of commerce, the *'felicità'* of a nation is marked by economic prosperity and the state of commerce [...] Commerce and technical innovations are reciprocally dependent; it is often the case that practical inventions benefit the development of commerce' (Pii, 1973, p. 446).

amount of resources in excess of the needs of any productive sector (or nation) that makes the exchange of goods feasible both on internal and international markets. The theory of trading funds explains Genovesi's approach to freedom of trade: 'There are [writers] who by freedom of commerce mean the unrestrained power of traders to export and import any commodity, without any constraining law or rule whatsoever. But this freedom, or rather licentiousness, cannot be found in any country of Europe and is against the spirit of commerce itself' (*Lezioni*, I.17.ix, in Genovesi, 2013, p. 183). Indeed, the most important trading nations of Europe followed a significantly different trade policy: 'The nations in which commerce is most thriving, such as the English, Dutch and French, have introduced great restrictions on importing and exporting commodities. Certain restrictions, far from stifling the spirit of commerce, are in fact necessary to animate it' (*Lezioni*, I.17.ix, in Genovesi, 2013, p. 183). The need of preserving the structural condition that makes trade possible justifies the introduction of rules aimed at governing and maintaining *proportionate* trade flows across nations: 'to introduce raw produce or manufactured products that may obstruct internal productions, thus destroying the funds of commerce, would that be freedom of commerce? To extract raw materials that can be processed within the country is to destroy manufactures, and with it the matter of commerce itself' (*Lezioni*, I.17.ix, in Genovesi, 2013, p. 183).²⁰ Unrestrained foreign trade would be counterproductive, as it would ultimately destroy the trading funds that make international trade possible.

²⁰ The idea that international trade should be governed by proportionate trade flows ensuring the maintenance of trading funds within each trading nation follows directly from the view of commerce as an expression of the *scambievole soccorso delle virtù, e delle facultà naturali* (Doria) and of the criterion of *mutuo soccorso* (Genovesi). At the same time, the maintenance of trading funds calls attention to mid to late eighteenth-century policy debates in which the newly independent Kingdom of Naples and Sicily found itself struggling against Britain's and France's encroachment of Mediterranean free trade, which had sometimes led these countries to provide hidden support to piracy and smuggling (see Diaz, 1968, 1975). In this connection, there is an important thread linking Doria's view of the 'commerce of the Kingdom of Naples' (Doria, 1981 [1740]), Genovesi's analysis of trading funds, and the subsequent diplomatic activity of the other most distinguished economist of the Neapolitan Enlightenment, Ferdinando Galiani, who actively promoted both the 'League of Armed Neutrality' proposed by Catherine the Great in the 1780s and the Russo-Neapolitan Treaty of 1787 (Diaz, 1968, 1975, Stapelbroek, 2006, pp. 428-29; 2011).

On the other hand, a properly regulated foreign trade would not only preserve the trading fund of a nation, but would also allow the most effective utilization of that trading fund in the formation of a nation's wealth. For this to be possible, each nation's natural environment and resource endowment should determine the most effective sequencing of wealth-producing activity and the corresponding trade policy for that nation. In particular, for any given state it would be necessary not to export 'the raw materials of that country's manufactures', but instead 'worked out materials and manufactured products if possible' (*Lezioni*, I.20.iv, in Genovesi, 2013, p. 209). Indeed, 'when it is impossible to process all raw materials originating in the nation, one should try to process as much as many as possible of them' (*Lezioni*, I.20.iv, in Genovesi, 2013, p. 209).²¹

In short, Genovesi derives from the sequential arrangement of production activities in each nation a set of trade policy prescriptions suitable to that nation: '[a]ll other things being equal, that state will have the largest foreign trade revenue which would send abroad the largest quantity of processed materials relative to the state that sends abroad materials that are less worked out, or raw commodities only' (*Lezioni*, I.20.iv, in Genovesi, 2013, p. 209). Indeed, 'to send abroad the nation's unprocessed materials tends to make a state relatively poorer, and this for two reasons. First, because [this type of trade] keeps the nation at the mercy of foreigners; and, second, because it leaves ignorance of the arts and indolence to set in' (*Lezioni*, I.20.iv, in Genovesi, 2013, p. 209).

However, Genovesi is aware that the above policy prescriptions, while effective in most cases, reflect particular natural environments and endowments of resources. Other conditions might require entirely different trade policy prescriptions. For example, nations living on territories scarcely suitable to agricultural activities (such as the ancient Phoenicians

²¹ The need to ensure as close a coordination as possible between supply of raw materials and domestic manufacturing is also emphasized by Cesare Beccaria in his *Elementi di economia pubblica* (Beccaria, 1971 [ms. circa 1769]; see also Scazzieri, 2014).

and Carthaginians, or the modern Dutch) were obliged to first develop manufactures and navigation in order to build up a suitable trading fund (*Lezioni*, I.16.xi, in Genovesi, 2013, p. 175).

Genovesi's theory of trading funds suggests a context-sensitive trade policy aimed at the maximisation of national wealth through full utilization of each nation's productive potential. This approach entails that the choice of trade policy regime (say, free trade versus protection) is not settled once for all but should reflect the sequential arrangement of productive activities along a wealth-maximizing trajectory, which itself depends on a variety of natural and historical conditions (see Chakravarty, 1993 [1984] for a recent statement of this view). As a result, no nation should follow a ready-made, universal trade policy benchmark but should instead adopt the policy that is most suitable to its potential, timing of development, and historical-political circumstances.²² English trade policy provides Genovesi with a prominent and successful case in support of his argument:

Nowhere in Europe [foreign trade duties] are heavier than in England, and at the same time no nation has a greater and freer trade. The reason is that duties are applied *in a discriminating way* and they all aim at the same purpose, which is to increase the agriculture and manufactures of the nation. Burgundy wine would sometime pay a duty of 100 per cent, but manufactures leaving the country would pay little or nothing; the tax on internal bread consumption would be high, but corn export would receive a [*bounty*] or subsidy, the export of wool would be prohibited, for the nation wants to increase its level of employment, whereas

²² This analytical flexibility is consistent with John Robertson's view that '[i]n different but complementary ways [...] the Scottish and Neapolitan economists give the lie to the complacent, still too widely-held, assumption that the elaboration of the simple principles of the free market was the highest achievement of Enlightenment cosmopolitanism. Cosmopolitanism, rather, lay in matching the elaboration of general principles with recognition of the limits to their application in specific circumstances' (Robertson, 1997, p. 696). However Genovesi, differently from Smith, argues that when a particular economic system deviates from supposedly ideal or 'natural' conditions and policies, it may do so not only because the historical context makes it deviate from ideal policies (Smith, 1976 [1776], Book III), but also because the 'natural' conditions themselves are likely to change depending on the stage of economic development (see Bagchi, 1992, 1996, 2014 on the relationship between contexts and economic principles, and on the context-dependence of policy prescriptions).

foreign wool, silk and other raw commodities would be imported without paying any duty at all (Genovesi, 1804, pp. 111-112; our emphasis).

The governing concepts of Genovesi's approach to external commerce are thus reciprocity – of needs and obligations – and what may be called virtuous trade – as the mediating middle between free trade and mercantilism. It is for this reason that he appears to be somewhat ambivalent about the spirit of commerce in relation to his commentary on Montesquieu (Genovesi, 1777, II, p. 195). On the one hand it tends, in the mode of mercantilism itself, to foment rivalry, conflict and war. On the other hand, a more developed commerce – by entangling nations and revealing that the poverty of one is to the detriment of the wealth of another – tends to diminish the actual occasions of clashes between nations and empires: one of the fruits of commerce 'is to bring trading nations to peace [...] war and commerce are diametrically opposed like motion and rest' (*Lezioni*, I.19.vii, in Genovesi, 2013, p. 201).²³

In this manner, Genovesi's 'civil economy' aims to combine efficiency with justice precisely because an amoral or immoral market ends up eroding the very basis upon which it may increase a nation's wealth and welfare. This is the core of his critique of trade imbalances in eighteenth-century Europe. In his time, economic decline went hand in hand with moral decay. The contrast between the Spanish and the Neapolitan 'disease', on the one hand, and English vigour, on the other hand, illustrated this well. The Spanish disease consisted in the influx of foreign silver and gold, which led to cultural decadence and moral collapse. The Neapolitan disease was linked to asymmetrical patterns of trade and subjugation to foreign masters, exporting its raw materials in exchange for imported goods, which represented a failure to build up manufacturing and industry.

²³ 'è di portare le nazioni trafficanti alla pace [...] la guerra e il commercio sono così diametralmente opposti come il moto e la quiete' (Genovesi, *Lezioni*, I.19.vii, in Genovesi 2013, p. 201).

Genovesi warned that Naples and other raw material exporting nations would be forever ‘dependent on foreigners’ and become ‘in certain ways their tributaries’ (Genovesi, 1757b, pp. lxxxv-lxxxvi). By contrast, English vigour was in large part the result of banning exports of raw wool and promoting the production of manufactured goods that could be traded for natural resources or other commodities. Genovesi’s promotion of manufacturing development through asymmetrical trade shows awareness that similar policies had been successfully implemented in more developed economies, such as Britain, through a mix of trade protection and military might (Reinert, 2011). Against this background, Genovesi envisages the possibility of a scenario in which trade policies differentiated by commodities and by trade partners could introduce a pattern of trade between nations at different stages of development while ensuring the maintenance of adequate trading funds for all trade partners. The key difference for Genovesi is whether the focus is either on competition and self-interest or on mutual needs (*bisogni reciproci*) and the mutual obligation to assist (*reciproca obbligazione di soccorrerci*).

For all these reasons, political economy is according to Genovesi not just the science of reforming institutions and generating wealth but also part of the art of good government, fostering the viability of polities in a world increasingly dominated by commercial competition. This idea of virtuous commerce underpins his view of the relationship between protection and free trade, as expressed by Thomas Mun in his *England’s Treasure by Forraign Trade* (Mun, 1664), which appeared in Italian as an appendix to the translation of John Cary’s *Essay on the State of England* (Cary, 1695) edited by Genovesi himself:

And even though one wants commerce between all nations to be free, nonetheless I think that this liberty can and should be restrained by certain limits so that in helping others, it would not hurt ourselves, as all countries should accommodate it to its own interests, without others having the right to complain: because

everyone is master of his house [which is a right that] the liberty of commerce cannot dispute (Mun, 1757 [1664], p. 289; our translation)

Genovesi's view that trade policy should aim at the maintenance of trading funds through *differentiated* duty and subsidy arrangements across traded commodities reflects his pragmatic approach to the free trade *versus* protection alternative. Trade advantages can only be achieved in the long term provided no nation is forced out of trade by the loss of her trading fund. This standpoint is shared by other political economists of the time, such as Cesare Beccaria (Beccaria, 1971 [ms. circa 1769]) and Pietro Verri (Verri, 1771) in the Northern Italian context (Venturi 1969; Porta and Scazzieri 2002 and 2015). However, Genovesi's approach is distinctive for his emphasis on the sequence of development stages that an economic system should follow due to the hierarchical arrangement of productive activities, his acknowledgement that this sequence might be changed or even inverted in particular cases, and his view that developmental 'leapfrogging' might be impossible due to the asymmetrical distribution of power between trading States in the international political economy.

5. Concluding reflections

Genovesi's theory of the body politic stems from the application of *proportionality principles* to the production and reproduction of social wealth. Proportionality requirements are central to Genovesi's analysis of the maximum growth principles that determine how production activities should be *sequenced* in order best to contribute to economic growth along a structural change trajectory (section 3 above). This paper has highlighted the originality of Genovesi's analysis of production in a system of interdependent sectors. For Genovesi takes

stock of pre-existing or contemporary ideas on the interdependence of production flows in the economy (see, for example, Boisguilbert, 1704; Quesnay, 1759) but turns the essentially static framework of those formulations into a *dynamic* theory of economic development. In this connection, he emphasizes the need of fitting policy measures to the specific *stage of development* and *context* of the body politic under consideration. This view of political economy highlights the constitutive connection between the different aspects of Genovesi's economic thinking. Human beings' *impasto* (mixture) of 'instincts, affections and motives' (Genovesi, *Proemio* to the *Lezioni*, in Genovesi, 2013, p. 9) draws attention to the need for human conduct in the social sphere to meet a proportionality condition between self-interest and the 'sympathetic principle' (*Lezioni*, I.2.vi, in Genovesi, 2013, p. 34). This proportionality condition is constitutive of political bodies and characterizes the domain of political economy as the set of rules for the provision of the material and immaterial needs of society (*Proemio* to the *Lezioni*, in Genovesi, 2013, p. 9). In turn, political economy must adapt proportionality requirements to the historically specific conditions of individual states and of the balance of power in the international political system to make a development strategy viable. In conclusion, Genovesi could be considered as a very important forerunner of 'contextual political economy', which has been defined as 'the study of the numerous ways in which the material basis of human existence changes' (Bagchi, 2014, pp. 547-8), depending on historical conditions, stage of economic development, and configuration of the international political economy. From this point of view, Genovesi's contribution is an important reminder of the essential and intertwined roles of economic theory and history in detecting the opportunities and constraints that any body politic must face in its pursuit of maximum growth under changing conditions. For *theory* is necessary in order to identify which sectors contribute to maximum growth at any given stage of economic development,

while *history* provides essential guidance in identifying which specific policy should be pursued under particular economic and political conditions.

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