

Constructing free trade: from Manchester boosterism to global management

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The free trade doctrine, now global common knowledge, has followed a complex spatio-temporal path of knowledge production from its origins in Manchester at the turn of the nineteenth century. While grounded in normative and cognitive claims, its transformation from local self-interest to global doctrine was a result of the scale-jumping tactics of the Anti-Corn Law League, combined with the popularity in Western Europe of private property liberalism and the hegemonic global positionality of early nineteenth-century Britain. Corn Law repeal in 1846 in London was constructed as the point in space-time where doctrine became practice, and Britain's subsequent prosperity was seen as proof of its validity. After 1880, except in Britain until 1914 and the colonies, performance belied the doctrine as progressive liberalism became influential, and import-substituting industrialization an effective catch-up strategy, for other nations. The free trade doctrine was reasserted, however, with the emergence of US hegemony, as a rationale for breaking up non-US colonial preference systems and, more recently, neoliberalism. The free trade doctrine is now performed routinely under the auspices of the World Trade Organization. Nevertheless, it remains a local epistemology, whose truth-like status is kept insulated from rigorous challenge by alternative epistemologies and practices.

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Introduction

The laws of economics have not changed: international trade remains the brightest hope for pulling much of the world out of poverty. (*The Guardian* 27 February 2004)

The doctrine of free trade, i.e. that unrestricted commodity exchange between places is the best way to advance their mutual prosperity, has attained the status of 'a scientific fact as indisputable as gravity' (Trentmann 1998, 226). Its truth-like status is reinforced daily through a variety of social practices extending through the manifold spaces of social life. In the academy, it is deduced mathematically in business and economics courses worldwide.¹ It is restated daily in mainstream media outlets, thereby becoming a standard with respect to which the public has learnt to judge territorial economic policy. Politicians profess their belief in it as frequently as

they profess their patriotism or religion, and finance markets are ready to slap them on the wrist if they deviate. Countries deviating from free trade orthodoxy risk a run on their currency, and face difficulty raising capital or attracting investments. Subscription to the free trade doctrine is now taken out through membership in the World Trade Organization in Geneva, to which nation-states accede the power (after due deliberation and an appeals process) to overrule national and local policy in the name of this higher norm. In short, the free trade doctrine is common knowledge: Creationists are now more likely to be encountered than free trade sceptics in this era of neoliberal global regulation.

The ubiquity of this doctrine is paralleled by its durability. Discussions surrounding the free trade doctrine have changed surprisingly little during the last two centuries.² Notwithstanding successive

generalizations, elaborations and criticisms of Ricardo's 1817 principle of comparative advantage, today's discussions are minor variations on those of yesteryear. For example, trade proponents today cite a prime benefit as exposing domestic industry to the rigours of foreign competition – a point made in 1826 by British Prime Minister Huskisson, citing the example of how industry in Macclesfield and Spitalfield prospered under the spur of increased imports (Kindleberger 1975, 28). Opponents' arguments for trade restrictions to encourage import substituting industrialization echo Alexander Hamilton's 1791 *Report on Manufactures* and Friedrich List's (1841 (1991)) theory of infant industries.³ Contemporary AFL/CIO (American Federation of Labor and Congress of Industrial Organizations) concerns that free trade undermines American wages duplicate 1840s concerns that 'high duties were necessary to cut out the competition of the ill-paid laborers of Europe, and to maintain the high wages of the laborers of the United States' (Taussig 1888, cited in O'Rourke and Williamson 2000, 115).⁴

The durability and ubiquity of the doctrine belie its local origins, from which it has stretched, and at times contracted, through space and time to attain its current status. Free trade's acceptability as a practical doctrine is generally associated with the repeal of the British Corn Laws, in London on 25 June 1846, itself routinely traced to the successful political entrepreneurship of a group of Manchester industrialists led by Richard Cobden. Now it is an influential organizational principle of globalization, managed from the World Trade Organization offices in Geneva. In this paper, I seek to trace the spatio-temporal process of knowledge creation through which this has happened. I examine how a 'local epistemology', variously dubbed Manchesterism, Manchester liberalism or the Manchester School, came to be translated into global knowledge. I do not offer an authoritative history of the free trade doctrine, but instead inquire into its lineage. I seek to do this not only to trace its mobility through space and time, and of the economic practices pursued in its name, but also to create a vantage point from which to assess whether the dismissal of various heterodox challenges to the doctrine is justified.

I begin by conceptualizing the geography of knowledge production, i.e. how local beliefs attain the truth-like status of global knowledge, with particular attention to contested cognitive and social accounts of this process. I then review and assess the cognitive claims commonly used to justify the status

of the free trade doctrine as scientific knowledge, particularly through appeals to logical coherence and empirical correspondence. Questioning the adequacy of such cognitive claims, I describe how its adoption and enactment in 1840s Britain catalyzed a variety of moral, cultural and social processes. Whereas conventional accounts suggest that the rigour and accuracy of trade theory accounts for its success, I argue that the social efficacy of free trade, culminating in Corn Law repeal, shaped the emergence of a logical theory of comparative advantage to rationalize it. I then trace the uneven historical geography of the practice of free trade since 1846, during which the shifting positionality of various participants in the global economy legitimated broad-scale departures from the doctrine, albeit culminating in its re-emergence as a defining principle of US-led neoliberal globalization. In conclusion, I point towards ways in which the adequacy of our understanding and practice of trade can be broadened, and alternatives envisioned, once it is accepted that the truth-like status of the free trade doctrine has yet to be adequately interrogated.⁵

Science, knowledge and space

Intense debates about the grounds for scientific knowledge and truth have followed the dismantling of the logical empiricist programme in the 1960s. These 'science wars' counterpose two positions. On the one hand are claims that scientific knowledge can be arrived at through practising a foolproof process of knowledge production (such as logical empiricism or Popper's critical rationalism). On the other are claims that knowledge production is inevitably a social process, and that all knowledge is coloured by this process. In the former view, truth emerges via a scientific practice that eliminates alternative accounts due to their inadequacy; in the latter, there are only truth-like claims (cf. Latour 1987). Helen Longino (2002) argues that these debates between science studies and philosophers of science belie a shared dualism, the separation of social from cognitive approaches to knowledge production.⁶ Science studies provide compelling accounts of how scientific knowledge is socially constructed, at the expense of downplaying normative judgements about the adequacy of knowledge (cf. Haraway 1997; Latour 2004). By contrast, philosophers of science make normative judgements to separate science/knowledge from opinion/belief, but limit themselves to individualist, cognitive

principles (such as rationality or observation) that neglect the obviously social dimension to the practice of science. By stressing the social nature of both cognition and knowledge, Longino seeks to break down this dualism.

A 'plurality of adequate and epistemically acceptable explanations or theories can be generated by a variety of different factors in any situation of inquiry' (Longino 2002, 184). She dubs such competing perspectives local epistemologies; i.e. multiple situated understandings of the subject at hand, each grounded in a set of methodological and substantive assumptions with respect to which its account is persuasive, and such competing perspectives certainly have existed on the question of international trade (Irwin 1996). Given this, any account of knowledge production must answer two questions: how a local epistemology becomes general knowledge, and how and whether its status as knowledge is justified.

The first question entails the social and geographical diffusion of ideas. The task of the analyst is both to trace these spatial formations and their power-geometries (Massey 1999) and to examine their impact on the process of knowledge creation itself. Local epistemic communities share a relatively homogeneous social space – in the sense of shared language games and compatible backgrounds, training and identity. It is now recognized that place is important to the construction of such communities (Shapin 1998; Livingstone 2000; Law and Mol 2001). Local epistemic communities emerge in places where shared understandings of the world are (re)produced, because of the reciprocal relationship between subjectification and place-making. Thus Shapin (1996) traces the places where science was performed and its norms constructed by English gentlemen: laboratories, clubs, etc. Manchester and England were critical places for constructing the free trade doctrine, and I pay attention to how these places and the free trade doctrine shaped one another.

Of course history is central to such place-based analysis. As Mary Poovey argues, examining precursors to the free trade doctrine in seventeenth- and eighteenth-century Britain,

cultural constructions of knowledge should be understood as historically specific ensembles, whose parts are reconfigured and reordered in a dynamic interaction with the discovery or consolidation of new objects of inquiry . . . in a process that gradually renders methods and questions that once made sense to an intellectual community so problematic that a radical reconsideration seems in order. (Poovey 1998, 266–7)

Such radical reconsideration certainly characterized Corn Law repeal. Poovey's project of historical 'epistemology' is always already historical geographic. Research on the spatiality of knowledge production suggests, and her own analysis confirms, that such historical shifts are always framed by local conditions – both the regional history of epistemological debate and local material conditions. The nature of the radical reconsideration of the Corn Laws was framed by Scottish liberalism and moral philosophy, material conditions in early nineteenth-century England – class struggle between the landed and capitalist classes, and England's global leadership in industrialization and trade.

Yet there is more to the spatiality of knowledge construction than place. If a local epistemology is to advance to the status of scientific knowledge, it must travel. First, it must be accepted in the geographically scattered laboratories, field sites, conferences and academic departments where members of an epistemic community gather, in collaboration and/or competition, to pursue their common agenda. To gain broader social acceptance as knowledge it must also 'jump scale' to become ubiquitous (Smith 1992). Local epistemologies must become mobile to qualify as knowledge, diffusing through geographically extensive social networks and possibly mutating along the way (Law and Mol 2001). For example, conclusions reached under special conditions, in specific laboratories or academic journals, become accepted as generally applicable throughout society. As this happens, the social distance separating places of knowledge production from the rest of society dissipates. This can be traced geographically, as the diffusion of a doctrine and practices based on it through space and time.

It is not sufficient, however, to describe the geography of knowledge production. The ubiquity and general acceptance of some doctrine does not suffice to make it a reliable foundation for social action. Longino argues that the monistic accounts that typically come to dominate scientific knowledge often do so by pushing aside competing local epistemologies, preventing the full participation of differently situated actors and alternative accounts in the practice of science. She argues that knowledge can only be relied on if it emerges from an even-handed exchange of views among all local perspectives, an exchange that need not, and often will not, result in consensus. The free trade doctrine is a monistic account, whose status as knowledge is typically based on cognitive principles of rationality

and observation (or, in the logical empiricist epistemology commonly invoked in Economics, logical coherence and empirical correspondence). In order to assess the legitimacy of its status as knowledge, it is necessary to examine these claims, in light of the social processes that have also produced this knowledge.

The free trade doctrine as knowledge: cognitive claims

Claims for logical coherence

The free trade doctrine is supported by an enormous theoretical literature that has followed a path from Adam Smith to Ricardo, Hecksher, Ohlin and Samuelson, and most recently Helpman, Grossman and Krugman (for an overview, see Wong 1995). Progress along this evolutionary path has been substantial, and dispersion from its places of knowledge production has been extensive. To summarize, four principal developments have defined the field. First, Adam Smith noted that trade could be mutually beneficial for two nations if each had an absolute cost advantage in a different product, because it increased the size of the market. Absolute advantage was not good news for England, where wages and prices were higher than many other nations. Ricardo generalized this conclusion to the concept of comparative advantage, however, whereby it is advantageous for two nations to trade as long as each specializes in a commodity that they are relatively more efficient at producing, by comparison to other nations. This made the potential gains from trade much more generally applicable: every nation was seen as having something it could produce relatively efficiently, by comparison to other products, as a result of its particular endowments, and the potential gains from trade were thus available to all.

Subsequent developments have been framed by this claim. In the 1930s, Hecksher and Ohlin founded a 'modern' theory of international trade (subsequently formalized by Samuelson), in which comparative advantage is located in the relative abundance of factors of production in a nation. Assuming the validity of aggregate neoclassical production functions, a more abundant production factor is cheaper (because of lower marginal productivity), implying that nations specializing in those activities that draw heavily on the locally abundant factor will be pursuing their comparative advantage. For example, nations with abundant labour should

specialize in and export labour-intensive products, whereas those with abundant capital should specialize in capital-intensive products. Since any profit-maximizing producer would presumably seek to use more of what is cheaper, this also had the compelling implication that the rational choices of individual capitalists are in the national interest, because they conform with comparative advantage. Free domestic and free international markets thus complement one another. Summarizing, McGovern characterizes twentieth-century trade theory, up to the 1980s, as having three hard-core propositions:

HC1 Trade patterns are determined by differences in comparative cost of production ratios between countries.

HC2 Where there are different relative prices across countries, there will be gains from trade in exchanging goods at intermediate prices.

HC3 Free trade (with compensation) will increase the welfare of all trading partners. (1994, 353)

The fourth major development, pioneered by Helpman, Grossman and Krugman, was to provide a theoretical account of trade under imperfect competition, providing logical grounds to account for why so much international trade is 'intra-industry' (i.e. Mercedes traded for Fords, rather than cars for wheat). McGovern (1994, 364) argues that their proposal was accepted as part of the dominant research programme (Lakatos 1970) because it allowed for its progressive evolution, at the cost of addendums to two of the hard-core propositions:

HC1a Intra-industry trade is explained by the differentiation of products across countries.

HC2a Even in the absence of comparative cost differences, there may still be gains from trade, in terms of consumer choice, if traded goods are differentiated, or if economies of scale stimulated by international trade generate comparative cost differences (e.g. a country specializing in producing Fords may create *new* comparative cost advantages as a result of scale economies that accrue from this specialization).

There have been a number of influential criticisms of the generality of the free trade doctrine from within this research programme (for a comprehensive review, see Irwin 1996), but its hard-core propositions have remained relatively intact.

While this mainstream research programme cannot be faulted for its logical rigour, like any epistemology its validity is predicated on a set of assumptions that frame its deductive propositions. Many of these date back to Smith and Ricardo, and

Table I 'Hard-core' assumptions in economics' mainstream trade research programme

1. Atemporal theory*	a. Production is instantaneous: the time lag between the advancement of capital and payment for goods sold is ignored. b. Market equilibrium: trade is analysed under conditions where supply matches demand and exports equal imports.
2. Full employment of production factors*	There is no surplus or shortage of labour or capital (no structural unemployment; all savings reinvested). ⁷
3. No international factor mobility*	Some combination of labour, capital and resources is relatively immobile between countries, but all are perfectly mobile within countries.
4. Two countries, of approximately equal size	a. Trade theory commonly considers trade between just two countries. ^a b. Neither country's economy is large enough to satisfy demand in both countries. ^a
5. Aspatial theory*	Transport costs are either ignored, or treated as an exogenously given barrier to trade; space is Newtonian rather than a social construct. ⁸
6. Full competition ^a	Spatial price variation is reduced to homogeneous national and world prices. All participants are rational, self-interested and fully informed autonomous individuals with equal power over the market. Trade participants are price takers, not price makers; capitalists' profits are zero (net of fixed costs). The market is autonomous from state and society.
7. Aggregate production function ^a	a. It is assumed that the national economy can be approximated by an aggregate production function converting homogeneous capital and labour into output, or by identical production functions in each industry. b. Inter-sectoral interdependencies, inter-sectoral differences in technology, and the produced and heterogeneous nature of capital goods, are ignored.

Source: Author

*Assumption dating back to Ricardo

^aAssumption from marginal (neoclassical) economics

can be dubbed the underlying hard-core assumptions from which McGovern's list of hard-core propositions can be logically derived (Table I).

Under these assumptions, it can be deduced that specialization and trade on the basis of comparative advantage results in a greater global output, and that each country can be better off (obtaining more commodities for the same effort) with trade than without it. Assumptions 6 and 7 guarantee, in addition, that the profit-maximizing production decisions of individual capitalists lead to specialization in that country's comparative advantage: i.e. the invisible hand operates successfully. These deductions are consistent with, and provide a logical case to support, the free trade doctrine.

Many of these assumptions go beyond straightforward simplifications of the real world to describe conditions that do not obtain in practice. In that case, and rejecting Friedman's (1953) proposed methodology for 'positive' economics,⁹ it is important to determine whether the hard-core propositions survive modification of these assumptions. Members of this epistemic community have examined some of these assumptions closely, as they are evidently unrealistic. The consequences of relaxing assumptions 3, 4 and 6 have received particular attention from international trade theorists, whereas economic

geographers have relaxed the second part of assumption 5. Confidence in the theory's coherence has not been shaken much by such examinations.

Assumptions 1, 5 and 7 have received less attention from within this community. These are typical assumptions for the broader community of neoclassical economists, of which mainstream trade theory is a part. Yet it can be shown that the desirable properties of free trade are not robust to modifications of these. For example, Steedman (1979) deduced that replacing assumptions 1a, 6 and 7 with a more realistic Sraffan specification of a multi-sectoral national economy undermines the validity of the claim that specializing in products using the more abundant production factor should be the basis for trade.¹⁰ Sheppard and Barnes (1986 1990) extended this by relaxing assumption 5, to allow for relational space and a finer spatial gradation in pricing.¹¹ They find that the profit-maximizing actions of capitalists need not lead to patterns of specialization that are consistent with comparative advantage – and indeed may not even enhance capitalists' profits, let alone national welfare. Thus we cannot dismiss the proposition that some of these assumptions are 'critical' (Sheppard 2000), in the sense that current theoretical deductions no longer hold once those assumptions are modified.

Table II Grounds for ignoring free trade critics in mainstream economics

Hostility	Pro-free trade economists express outright hostility to, and suspicion of the motives of, critics (Torrens, Mill and Keynes each received this treatment).
Exceptionalism/ circumstance	The criticism is acknowledged as correct in principle, but is seen as restricted circumstances that either are not current or are unlikely to occur in practice. Variant: Good economic theory must be of universal applicability, and not sensitive to context.
Conceptual vagueness	The criticism is argued to be based on a concept that is poorly defined (referring to Graham's argument that increasing returns undermines the free trade doctrine, Irwin (1996, 148) terms external economies an 'elusive' concept).
Need for discipline	Firms are argued to need the discipline of foreign competition.
Imperfect intervention is worse than no intervention	Free trade is an easy policy to implement. By contrast, trade regulation is very difficult to get right; tariff barriers are a second best option by comparison to, say, national industrial policies. Variant: Retaliation. If one country regulates trade, then others will follow down the slippery slope of opportunistic national trade restrictions that pay no attention to the international benefits of trade.

Source: Author, compiled from Irwin (1996)

Members of any epistemic community typically find it hard to see the planks in their own eye; indeed, this may be a prerequisite for membership. Douglas Irwin's (1996) *Against the Tide* illustrates this blind spot well.¹² He provides an impressive and painstaking historiography of the ideas of free trade in European thought, and considers carefully a number of counter-arguments to the free trade doctrine that have been debated by economists over the years: infant industry arguments, debates about the terms of trade, increasing returns, high wages, welfare considerations and strategic trade policy. Each of these counter-arguments can be shown to have logical validity, but nevertheless are dismissed (both by free trade proponents at the time, and by Irwin) as not crucially undermining the free trade doctrine. Table II lists the types of arguments used to dismiss trade critics, who have included such eminent economists as Robert Torrens, John Stuart Mill and John Maynard Keynes (Krugman 1987).

The grounds for dismissal seem plausible from the internal perspective that free trade is, by and large, a good policy based on sound economics, but seem arbitrary from the perspective of critics of free trade located outside this epistemic community. Irwin does not interrogate the assumptions of free trade (cf. Hanson 1994), and neglects approaches to trade theory that are not framed by the mainstream research programme. In addition to the Sraffa and spatial critiques listed above, these include extensive discussions in Marxist economics and dependency theory, and a nascent literature on disequilibrium trade theory (Prebisch 1959; Gibson 1980; Itoh and Negishi 1987). To varying degrees, these alternatives do not accept the hard-core assumptions, and thus

risk dismissal for violating the 'protective belt' surrounding the mainstream research programme (Lakatos 1970; McGovern 1994).

Correspondence claims

Generally speaking, empirical correspondence has not played a major cognitive role in justifying the mainstream research programme through hypothesis testing:

appeals to empirical evidence as a way of arbitrating these free trade controversies have been almost completely absent, and what empirical evidence there is has been unhelpful. (Irwin 1996, 221)

This is consistent with the balance of cognitive claims in economics in general, where coherence (often backed up by a casual empiricism and 'stylized facts') has taken precedence over correspondence. Reliable empirical tests are difficult to construct, because of both the absence of appropriate observations and the artificiality of the assumptions underlying the economic theory being tested (Hendry 1980). Nevertheless, empirical claims are made, some of the more durable of which are summarized here. These can be divided into those challenging the mainstream discourse, and those reinforcing it.

Empirical challenges to the mainstream

Empirical challenges to the mainstream are subject to detailed critique. Their truthfulness is challenged by questioning the methods used and the generality of the results. Wassily Leontieff (1956) noted long ago that the USA exports labour-intensive agricultural products, which is inconsistent with the

behaviour predicted by 'modern' trade theory for a country rich in capital and short of labour. This strikes at the heart of the correspondence properties of mainstream programme, and has been the subject of much debate. No definitive conclusion has been reached, with each side interpreting the empirical analyses in terms favourable to their situated perspective. It is telling that the name given to this result, Leontieff's *paradox*, discursively constructs it as having a marginal status with respect to the taken-for-granted status of the free trade doctrine. Yet the paradox has survived repeated attempts to dismiss it.

A second empirical claim challenging the free trade doctrine is the Prebisch-Singer hypothesis; that trade of agricultural for industrial exports is unequal exchange. Free trade theory implies that it should not matter what goods a country specializes in: the potential benefits of trade exist for both cocoa and computer exporters. Strictly, trade theory is agnostic about how the benefits of trade are to be shared between two countries, either noting that this is undetermined by the theory or, more recently, suggesting that (as in all markets) price ratios will reflect the relative utility of the two commodities exchanged – and are thus fair by definition. From the beginning of debates over trade, however, specialization in manufacturing has been seen as preferable to primary commodities, and evidence suggests that the gains from trade remain progressively tilted towards manufacturing exporters in the long run (Figure 1: Porter and Sheppard 1998). Even third world manufacturing exporters can face a similar problem (Sarkar and Singer 1991). Since third world countries are more likely to specialize in primary commodities, this implies that specialization and trade with the first world will not enable them to 'catch up', undermining, for them, the desirability of the free trade doctrine. Such claims have had little impact, however, on the status of the free trade doctrine. Recently, empirical work on the impact of free trade on national income inequality has also falsified the predictions of the free trade doctrine, particularly its factor-price equalization theorem (Cornia 2004).

Empirical claims of the mainstream discourse

By contrast, the accuracy of empirical claims offered in support of the free trade doctrine is not closely interrogated, with the effect of propagating the doctrine. Paul Bairoch (1993) identifies two such 'myths' about the nineteenth-century world economy,

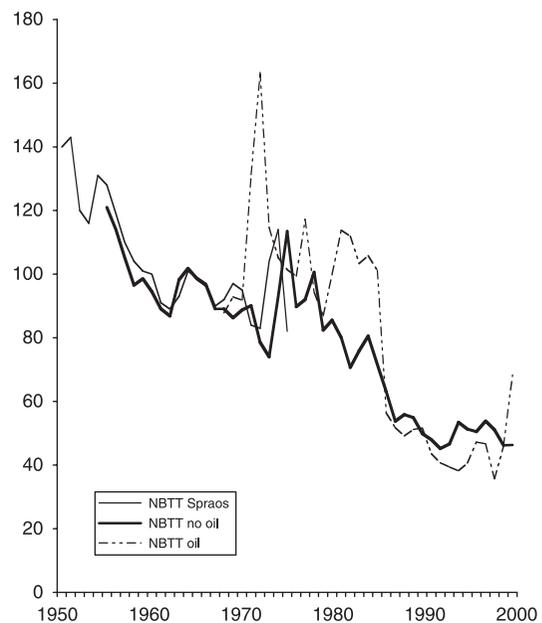


Figure 1 Net barter terms of trade (NBTT):
manufactured imports for third world primary
commodity exports (1950–2000)

Source: author; Spraos (1983)

providing convincing evidence of their inaccuracy: the claim that from 1846 to 1914 the world economy was dominated by free trade; and the claim that free trade brought more prosperity to nations than protectionism. More recently, mainstream interpretations widely presented the success of Newly Industrializing Countries as the consequence of their willingness to adopt free trade – in contradistinction to nations like Brazil that had put their faith in inward-oriented import substitution policies. It was only after critics of the mainstream showed that these countries adeptly mixed import substitution with export orientation (following the successful nineteenth-century policies of Germany and the USA), that it has become more widely acknowledged that the Asian miracle cannot be explained by free trade (Amsden 1989; Wade 1990; Webber and Rigby 1996).

In summary, cognitive claims for the free trade doctrine are built on foundations that members of the mainstream research programme take for granted, but seem questionable to external observers, illustrating how even the most rigorous epistemologies are local in the sense that they are grounded in a set of methodological and substantive assumptions

(Longino 2002). One advantage of a deductive epistemology is that its assumptions can easily be exposed, and the bread-and-butter assumptions of a geographical economist seem passing strange even to an economic geographer (Sheppard 2000), let alone observers from more distanced epistemologies. It does not follow, however, that the free trade doctrine can be rejected outright simply because of this strangeness. The economic theory underlying the doctrine is indeed an impressive logical construction, whose validity may be robust to radical modifications in its assumptions.¹³ To date, however, its robustness remains incompletely examined, because it has been able to insulate itself from genuine debate with other, differently situated, perspectives. In order to understand how this has been possible, it is necessary to also examine the social processes of truth-making behind the free trade doctrine.

The free trade doctrine as knowledge: social construction

Observations are scarcely ever made or particulars noted for their own sake... it is, in the peculiar phraseology of this science, the *effectual demand* of the theorist that regulates the production of the facts or raw materials, which he is afterwards to work into a system. (McCulloch 1824, 29)

Practical men, who believe themselves to be quite exempt from any intellectual influences, are usually the slave of some defunct economist. (Keynes 1936)

If Cobden had spoken Yiddish, and with a stammer, and if Peel had been a narrow, stupid man, England would have moved towards free trade in grain as its agricultural classes declined and its manufacturing and commercial classes grew. (Stigler 1982; cited in O'Rourke and Williamson 2000, 78)

If cognitive claims for the free trade doctrine seem far from unassailable, they also seem inadequate to account for its truth-like status. Examining the social processes surrounding the emergence of the doctrine, I will suggest that its social efficacy has helped observers of all kinds to look past any cognitive weaknesses. This social efficacy emerges from its status as a set of moral claims, together with its association with Lockean liberalism and Corn Law reform in early nineteenth-century Britain. A variety of societal processes, coming to a head in Manchester at the turn of the nineteenth century, played a crucial role.

Moral claims

Political economy has always entailed an important moral dimension, reinforcing the attractiveness of its arguments for those sharing the same moral compass (Winch 1996; Poovey 1998; Perelman 2000), and free trade is no exception.¹⁴ It is argued that free trade is simply the right thing to do. As the Anti-Corn Law League's political entrepreneur, Richard Cobden, argued:

physical gain will be the smallest gain to humanity from the success of this principle... I see in the free trade principle that which shall act on the moral world as the principle of gravitation in the universe, drawing men together, thrusting aside the antagonism of race and creed and language, and uniting us in the bonds of eternal peace... we should see, at a far distant period, the governing system of this world revert to something like the municipal system. (Cobden 1846, 6)

In a vision with roots in European liberal philosophy and the classical Greek doctrine of universal economy (Irwin 1996; Gray 2000), trade is thus seen as the vehicle through which mutual enrichment can occur among bounded geographic cultures, through an unrestricted exchange of products, traditions and ideas. Contemporary globalists like Kenishi Ohmae (1995) would agree.

A further moral argument, with material consequences, emerges with the idea of comparative advantage: it is claimed that free trade enables the inevitably different endowments of places (e.g. minerals, soils, climate, knowledge, capital, labour) to be regarded as differences to be exploited to the benefit of all places, rather than as inequalities determining the geography of wealth and poverty. The power of this normative geographic discourse lies in its ability to combine the recognition and valuing of difference with the possibility of equal opportunity for all. This resonates with enlightenment visions of human progress, and even post-structural ethics (cf. Popke 2003). Such moral arguments have long made free trade an attractive proposition, brilliantly constructing it as based on sympathy and self-interest.¹⁵

Manchester liberalism and Corn Law repeal: globalization of a regional epistemology

The English Corn Laws were passed by Parliament in 1815 to regulate the price of wheat in Britain,

which had fallen by half after Napoleon's defeat ended the blockade against wheat imports from the European continent. Voted on by a Parliament of landholders at a time when only male landowners could vote, this protectionist measure fixed the price of imported wheat at 80 shillings, adjusted to a sliding scale after 1823. Grain farming became highly profitable, and urban workers had to be paid well enough to afford bread for their families. The Anti-Corn Law League (ACLL) formed to fight for repeal, finally succeeding in 1846 when Prime Minister Robert Peel, at the expense of his Conservative majority and his own political career, put together a coalition of 'Peelite' Conservatives, Whigs and radical liberals that repealed the Corn Laws. This was followed by a 68-year commitment by England to zero tariffs, the longest time any nation has followed an explicit free trade policy (Bairoch 1993). The ACLL can be regarded, therefore, as one of the more influential social movements of the last 200 years.

This social movement began in London in 1836, but gained success only after relocating to Manchester in 1838 and renaming itself the ACLL, under the leadership of Manchester textile capitalist and committed free trader Richard Cobden (partner in a calico printing factory). Manchester was well suited for the emergence of an epistemology of free trade. As the centre of English cotton manufacture, itself heavily dependent on markets in Europe, North America and the Empire, Manchester was the centre of British manufacturing exports, and situated to benefit from free trade. Manchester's elite had separated into conservative and liberal factions, divided over how and whether to address the rampant poverty and illness amongst the working class, and how to address the consequences of the 1819 Peterloo massacre. In 1838, however, the liberal (and largely Unitarian) faction won the upper hand, securing a municipal charter for Manchester under Cobden's leadership that gave Manchester more autonomous political status (Kidd 2002). Manchester was thus an ideal location for the ACLL: a city whose economic future lay in manufacturing and trade, with a newly won political autonomy, realized by an up-and-coming liberal elite bound by class and unconventional religion – 'Manchester men' who had shown that political action can bring change.

Cobden provided the ACLL with intellectual and strategic political leadership, John Bright brought emotional, moral and religious rhetoric, and George Wilson managed everyday affairs (McCord 1958;

Pickering and Tyrrell 2000). The ACLL was supported by an active campaign for free trade by the boosterist local media (*The Manchester Guardian* and *The Manchester Times*), and by a cluster of Manchester capitalists in other industries. Corn Law reform was the one trade policy they could agree on (Kindleberger 1975, 30). As a result of their single-minded focus, Corn Law repeal was discursively constructed as equivalent to England adopting the free trade doctrine. In fact, the Corn Laws were closer to the final act of trade liberalization, much as the NAFTA formalized already-existing free trade practices linking the USA with Mexico and Canada. Other trade restrictions, notably bans on the export of machinery and the emigration of skilled workers, had already been lifted by the early 1830s – before the founding of the ACLL (Polanyi 2001 [1944]).

Cobden based the case for Corn Law repeal on moral and rational grounds. He repeatedly argued that Corn Law repeal would give workers more purchasing power ('a bigger loaf') and that free trade is essential to peace between nations, 'uniting us in the bonds of eternal peace' (Cobden 1846, 6). For much of his life, Cobden lobbied against English defence expenditures and war-making, and in favour of the dissolution of Empire – once the English judged their colonial subjects to be ready to run their own societies. Cobden's arguments constituted a form of radical liberalism, pitted against the ruling agricultural classes and their political-military complex.

It was also essential, in this Enlightenment age, to appeal to rationality, and Cobden continually lectured on the principles of political economy as grounds for the doctrine (Hinde 1987). Yet he drew on Adam Smith's principle, that trade extends the market, deliberately neglecting Ricardo's recently published principle of comparative advantage (Ricardo 1951 [1817]). Politically, Ricardo's approach was seen as too controversial, because of its unpopularity with the working classes the ACLL sought to ally with, and Cobden denied its validity (Semmel 1970; Winch 1996). Ricardo had been a Member of Parliament, and with other political economists wrote many pamphlets in favour of free trade. Yet many political economists only converted late to Corn Law repeal, and Ricardo himself at times saw the Corn Laws as helping maintain higher profits for British manufacturers than elsewhere, and argued for (compensating) tariffs (Perelman 2000; Ruffin 2002). Furthermore, the principle of comparative advantage, while essential to Ricardo's scheme, was buried deeply in his book. Even the

chapter where the principle is developed is largely devoted to the vexing question for Ricardo, at the time, of foreign exchange (cf. Sraffa 1951). 'The celebrated discussion of international barter relations was only a prologue to the central analysis . . . His concern was to explain the "natural" distribution of specie' (Hollander 1979, 463).

Many of Cobden's collaborators had much more pragmatic concerns; the ACLL promoted the class interests of its members and the Manchester economy (Semmel 1970). Corn Law repeal had the potential to lower the socially necessary wage in Manchester factories, boosting profits and thereby Manchester's competitiveness in global markets. The free trade opponent Benjamin Disraeli dubbed them the Manchester School, others the Manchester liberals (Bloch 1986 [1959]) or Manchesterists.¹⁶

Accounting for Corn Law repeal

The indubitably social nature of Corn Law repeal can be outflanked by cognitive accounts of the validity of the free trade doctrine, if it can be shown that the effects of repeal are consistent with economic and political rationality. In this section, I critically assess the power of such cognitive accounts, by comparison to a social alternative.

Rational explanations

An extensive literature offers rational grounds for the ACLL and Corn Law repeal, drawing on a variety of economic theories (Kindleberger 1975; Lusztig 1995; Trentmann 1998; O'Rourke and Williamson 2000).¹⁷ *National interest theories* argue either that countries adopt free trade to take advantage of improving national competitiveness (Johnson 1965), or the opposite. Trade imperialism theory (Kindleberger 1975) predicts that flagging international competitiveness pushes countries to adopt free trade in an effort to undermine the threat of increased foreign competition. Board of Trade officials at this time indeed favoured free trade on these grounds, arguing that export of cheap English manufactures to the Prussian-led German customs union (Zollverein) would undermine their nascent industry, and encourage the German principalities to continue to specialize in agriculture and import their manufactures from England.

Distributional theories predict support for free trade on the basis of who stands to gain. Class-based theory, summarized by Stigler above, sees Corn Law repeal as an inevitable consequence of the

rising influence of industrial and commercial capitalists (City financiers eventually joined the ACLL), who stood to benefit, relative to landlords, who stood to lose.¹⁸ A variant of this, based on the Stolper-Samuelson theorem in trade theory, states that free trade will benefit owners of scarce production factors (capital in nineteenth-century England), at the expense of those who own abundant factors (land). Applying a general equilibrium trade theory to the historical context of England during the Corn Law debate, O'Rourke and Williamson (2000) conclude that free trade should have brought much lower agricultural rents, higher real wages (but lower nominal wages), with its effect on profits uncertain. In short, those who are predicted by economic theory as benefiting from trade will support liberalization, whereas those predicted to lose will support protectionism.

Both the correspondence and coherence claims of these explanations are problematic. Kindleberger (1975) finds the national interest theories inadequate, when compared to the historical record. The timing of Corn Law repeal is not consistent with the predictions either, because in 1846 English competitiveness was neither growing nor lagging. The class-based theory suffers from a chicken-egg problem that the historical record cannot disentangle: were landlords declining in influence because increased freedom of trade benefited capitalists, or did the increased power of capitalists bring about free trade?

The coherence of class interest and distributional theories, still popular in economic history (Rogowski 1989; Irwin 1994; O'Rourke and Williamson 2000), depend on the coherence of the economic theory deployed. First, it is presumed that agents are economically rational and perfectly informed, core assumptions of microeconomic theory. In fact, people make the best guesses they can, based on economic and non-economic considerations.

Rather than beginning with market rationale . . . economic approaches would have to show how historical actors come to *know* of the economic world and of . . . material consequences. (Trentmann 1998, 224)

For example, as noted above, trade theory predicts lower rents and uncertain changes in profits after Corn Law reform. In fact, workers, manufacturers and farmers all prospered after the Corn Laws were repealed. Does this mean that landlords were irrational in opposing it? Furthermore, the degree to which changes in rents, wages and profits after 1846 were due to free trade or to other contemporary

factors, and thus the rationality of any decision taken, is all but impossible to determine.

Second, accounts based on rational individual choices are, ironically, too aggregate: even if actors think like economists and recognize their interests, interests vary greatly within classes and sectors, depending on such factors as regional location, firm size, the markets and production methods used, and the position of an agent within the firm, each affecting calculated benefits and costs. Trentmann (1998) suggests that cotton was a relatively homogeneous sector in nineteenth-century Britain, and was geographically concentrated around Manchester. Thus common economic interests might account for the cohesion and effectiveness of the Manchester liberal coalition at the heart of the ACLL. But in other sectors, industrialists' interests varied greatly depending on their geographic and economic positionality within the national economy.¹⁹ Furthermore, there is no reason to believe that workers' and capitalists' interests, even within the same firm, will coincide (Trentmann 1998). Trade unions did join the ACLL, consistent with Williamson and O'Rourke's calculations, but only after its great rival, the Chartist movement, lost momentum.

Third, explanations based in trade theory show functional tendencies. It is typically argued that if free trade occurs, then those who stood to gain economically from it must have prevailed; 'the equation between need and motive produces an equation between imagined effect and its cause. It tends towards tautology' (Trentmann 1998, 225). In short, such rational explanations presume the truthfulness of mainstream micro-economic and trade theory. Indeed, acceptance of such accounts tends to contribute to the doctrine's status as knowledge, excluding explanations that are not consistent with the theory. Finding all such explanations wanting, Kindleberger argues (with Keynes) that *economic ideology* 'based on the intellectual triumph of the political economists' (1975, 36) provides a more compelling economic explanation of Corn Law repeal than any such rational approaches.

The inconclusiveness of the literature seeking rational explanations for appeal, together with the idealized rational choice assumptions on which such arguments are based, imply the need for an alternative approach. An examination of the social context suggests that Corn Law appeal can also be accounted for by a discursive context that catalyzed the 'intellectual triumph of political economists'.

Social context: liberal philosophy and social activism

The social construction of the free trade doctrine emerged, first, from the context of Scottish moral philosophy. While an appeal to economic rationality was certainly powerful, economic logic alone is insufficient. Any account of truth-making must explain why a particular local epistemology becomes dominant and, as argued in the previous section, rational accounts of the free trade doctrine are plagued with problematic assumptions that should undermine their plausibility. The fact that they do not have this effect suggests that the theory was persuasive on other grounds. Broadly, Foucault (1971) has identified a phase shift in European discourse at the beginning of the nineteenth century, to a modern episteme prioritizing human agency, historicity and progress. Regionally, Scottish and English liberalism offered moral foundations for such a secular episteme, notably Lockean liberalism and Adam Smith's invisible hand, which legitimated free trade in its broadest sense as the norm for capitalist society. In short, resonance with Scottish and English liberalism was as important to its scale-jumping as were any claims of internal coherence.

As Mary Poovey comments,

only when it seemed important for legislators to understand how the market system might encourage individuals to govern themselves did it begin to seem politically expedient to understand why people acted as they did in the market. (1998, 28)

Adam Smith, via his teacher and mentor Francis Hutcheson, imbibed the Lockean liberal principle that individuals have a right to the property they create through labour, as well as views about appropriate moral behaviour and justifications for penalizing those who chose not to work hard or enter the labour market (Irwin 1996; Pesciarelli 1999; Coleman 2000; Perelman 2000).²⁰ Scottish moral philosophy articulated a theory of subjectivity, theorizing desire, self-interest and virtue that resonated closely with the rise of liberal governmentality in early eighteenth-century Britain, as the state tried to figure out what moral principles should replace religion. Locke's argument about personal liberty and concerns about the morality of a secular society were taken up by the Scottish enlightenment school, notably in Bernard Mandeville's 1714 *Enquiry into the Origin of Moral Virtue, or The Fable of the Bees*. Mandeville presaged Smith's invisible hand argument, that the actions of self-interested

free individuals will produce the best possible society. Instead of natural laws based in religious morality, to which human behaviour should conform, he proposed a natural law of human behaviour, the pursuit of self-interest, which results in a moral society.

Despite occasional trenchant criticisms of liberalism and untrammelled self-interest, Adam Smith developed an economic theory that advanced this path of knowledge production. Indeed his optimism about the ability of the invisible hand to create the good society contributed to his popularity (Perelman 2000). Ricardo was more pessimistic about such claims, stressing class conflict and long-term economic stagnation, but his views on trade (already articulated in his correspondence, well before he 'discovered' the principle of competitive advantage) fit right in:

Under a system of perfectly free commerce, each country naturally devotes its capital and labour to such employments as are most beneficial to each. This pursuit of individual advantage is admirably connected with the universal good of the whole. By stimulating industry, by rewarding ingenuity, and by using most efficaciously the peculiar powers bestowed by nature, it distributes labour most effectively and most economically: while, by increasing the general mass of productions, it diffuses general benefit, and binds together by one common tie of interest and intercourse, the universal society of nations throughout the civilized world. (Ricardo 1951 [1817], 133–4)

There is no way to judge whether Ricardo derived the comparative advantage principle *de novo*, or whether he took the principle for granted, and then sought assumptions from which it could be deduced (most importantly, the international immobility of labour) – although commentators tend to the latter view (cf. Schumpeter 1954, 472–3; Hollander 1979, 463; Ruffin 2002, 743). Yet we can conclude that Ricardo, like Smith, developed an economic system to articulate currently dominant beliefs about liberalism, self-interest and the market, with Ricardo adding considerable logical coherence to this political economy. Instead of regarding Smith and Ricardo, then, as founders of rational economic theory, they can be viewed as the progenitor of a (now dominant) economic theory expressing and reproducing inherited principles of Lockean liberalism – itself a local epistemology, both intellectually and geographically; a product of English, Scottish and French humanist philosophy. In this sense, Ricardo's principle of comparative advantage is as much a

formalization of an already existing free trade doctrine, as it is a deductive/rational explanation of free trade – rationalization as much as rationale.²¹

The concordance of English political economy with Scottish humanist philosophy does not account fully for why norms changed so rapidly at the beginning of the nineteenth century or why England was at the centre of such changes (Foucault 1971). This was a point in time and space when 'liberalization' of economic mechanisms proceeded apace on a variety of fronts, as part of a 'great transformation' of England to a market society. 'Not until the 1830s did economic liberalism burst forth as a crusading passion, and laissez faire become a militant creed' (Polanyi 2001 [1944], 143). The general Enclosure Act of 1801 and its successors commodified land as private property; abolition of the Poor Law in 1834 enforced participation in the labour market (Kidd 1999); and the Bank Act of 1844 liberalized currency through adherence to the gold standard.²² Free trade discourse was a natural appendage to such changes. In short, there existed a political opportunity structure in England that provided conditions of possibility for the ACLL to succeed as a social movement in the face of resistance from the landowning and working classes.

The effectiveness of the ACLL as a social movement was rooted, first, in a shared social and geographic identity. As discussed above, Manchester was an ideal place of origin where a core group of male, liberal, Unitarian capitalists took the movement over. The Newall's Buildings in Manchester was the symbolic and strategic home, 'an engine of political warfare' (Jephson 1892, quoted in Pickering and Tyrrell 2000, 14) where social, political and geographic strategies were crafted at regular meetings of key members, and fund-raising and publicity were coordinated (Pickering and Tyrrell 2000). Yet Manchester was by no means an uncontested base. The ACLL struggled for local influence with the Chartists, in debates and battles that the ACLL eventually won. The ACLL also benefited from effective resource mobilization: fund-raising was a constant strategic concern, notwithstanding the wealth of ACLL members. Muscle-power was also recruited for fighting with the Chartists, headquartered in this industrial bastion of England's emergent working class and violently opposed to the ACLL. The message was crafted to take advantage of and reinforce political opportunity structures, simultaneously appealing to capitalists (low wages) and workers (cheaper bread).

Spatial strategies were vital to success, as for most social movements (Miller 2000). By definition, success required the ACLL to jump from the local to the national scale, at which trade is regulated. Scale-jumping was not achieved by nationwide mobilization, as the Chartists and much of the landowning classes opposed the ACLL until 1845. The ACLL focused on occupying key spaces whose public nature generated both publicity and empowerment: the Drury Lane Theatre and Covent Garden in London, and the Free-Trade Hall in Manchester were used for such events as free trade bazaars, banquets and tea parties, and halls in key cities were rented for large-scale public meetings. It took its message to key places around the country through carefully planned speaking engagements, recruiting capitalists elsewhere and uniting with other groups such as the Sheffield trade unions. London proved one of the more difficult places to gain support, but the Parliamentary strategy took advantage of its status as capital city. Here, elite venues were used to push the ACLL agenda, ranging from gentlemen's clubs to the Houses of Parliament (Hinde 1987; Pickering and Tyrrell 2000). Cobden and Bright entered Parliament to lobby for Corn Law repeal, found a Conservative Prime Minister who happened to share their background in cotton, and used a combination of verbal persuasion, voter registration drives and threats to back much more radical constitutional reform if the Corn Laws were not repealed (Hinde 1987; Lusztig 1995). Cobden is reputed to have been the greatest political orator of his day. National influence required making the case that what was good for Manchester was good for England – playing on feelings of national independence and pride – not to mention the resonance of Lockean liberalism with the Protestantism that underlay England's national identity since the Reformation.

Opinions differ as to the degree that the ACLL exerted agency over Peel's decision to repeal the Corn Laws, but there is little doubt about its influence in representing repeal as the symbolic origin of free trade.²³ Repeal of the Corn Laws marked the moment when the regional interests of Manchester jumped scale to become the national interest, as the doctrine of free trade gained social legitimacy. This moment came to symbolize England's commitment to the free trade doctrine – the position in space–time at which free trade shifted from a discourse about the world to a world-changing performance. The period of general prosperity in England that

followed 1846 in turn gave free trade proponents a powerful empirical justification, even though the degree to which free trade contributed to that prosperity is uncertain. In addition, England's global positionality, as the hegemonic industrial and trading power controlling an empire of global scope, meant that national success simultaneously took free trade to the global scale. Once at this scale, moral arguments and Ricardian theory could be deployed to present the doctrine as being of global and not simply national interest.

Knowledge and practice: the free trade doctrine after 1846

If Corn Law Repeal in London, in 1846, came to be represented as the spatio-temporal moment at which free trade doctrine changed from rhetoric to practice, it is instructive to examine how the reproduction of the doctrine as knowledge was shaped by subsequent actions. I will argue, tracing the historical geography of free trade since 1846, that considerable dissonance between rhetoric and practice continuously emerged, marked by the shifting positionalities and experiences of those practising trade. Managing this dissonance has been central to its ability to retain status as global knowledge.

1846–1914

Britain stuck with a zero tariff policy until the First World War. There were attempts to backtrack in the 1880s. Most other European nations had abandoned the practice of free trade, and the British political economy was entering an era of progressive liberalism. Shaped by the extension of the franchise to all men, the consequent increasing influence of the working class and its Labour Party as a national political force, and the inability of capitalist industrialization to reduce poverty, progressive liberalism took the position that state action is necessary to guarantee all citizens the freedom to achieve their potential. This offered normative grounds for state intervention in markets. Joseph Chamberlain attempted to change trade policy to an imperial preference system in 1903.²⁴ His proposal, broadly opposed by workers and industrialists, was defeated under the influence of an emergent discourse tying free trade to national liberty, social justice and international peace (Trentmann 1998). This discourse associated free trade with social legislation and a more inclusive society, internationalism, a bigger loaf, and national independence. The freedom of

the British consumer to purchase from abroad was seen as a political right. Free trade proponents contrasted British civilization and progress under free trade with the backwardness of Germany and France, now pursuing tariffs, and economic theory was deployed to provide rational grounds for free trade, led by Alfred Marshall (Bairoch 1993). The failure of Chamberlain's attempt to extend state intervention to international trade illustrates the ongoing influence of Manchester liberalism, and particularly Richard Cobden. It may also reflect Britain's positionality within the by now globalized world economy: its prosperity since 1846, its dominance of world trading networks, status as an industrial power, and the relative insulation of British agriculture from the North American and Russian 'grain invasion' of the 1890s (O'Rourke and Williamson 2000).

Continental Europe responded to Corn Law repeal in London with a flurry of no tariff policies, again catalyzed as much by social processes as by economic logic. On 23 January 1860, Britain and France signed the Cobden-Chevalier reciprocal trade treaty, named after its intellectual protagonists, greatly reducing French tariffs. Cobden became a celebrity on the continent after 1846, travelling through the continent where he was received and revered by rulers, politicians and the public. After approaches in 1859 from Michel Chevalier, one of France's leading liberal economists and a Napoleon political appointee, Cobden engaged in shuttle diplomacy culminating in the treaty (Hinde 1987). Subsequently, free trade spread like an epidemic as Belgium, Prussia, Sweden, Spain, Norway, Holland, the Hanseatic league, Switzerland, Austria and the German principalities successively entered into a network of bilateral tariff-reduction treaties between 1862 and 1877 (Kindleberger 1975; O'Rourke and Williamson 2000). Like Corn Law repeal in England, enactments of the free trade doctrine occurred within highly selective spaces and networks – those of the European political elites who stood to gain from free trade.

Kindleberger (1975, 39) attributes this fast policy transfer (Peck 2002) to Manchesterist ideology: 'Manchester and the English liberals persuaded Britain, which persuaded Europe'. The Italian political elite imported Manchesterism and used it to rationalize imposition of the free trade doctrine (Kindleberger 1975), and the German Zollverein bowed to British pressure (O'Rourke and Williamson 2000). There is no doubt some truth to this, but other

factors also mattered. The ideas attributed by Kindleberger to Manchesterism were not purely English in origin. France, for example, had its own active school of liberal political economists, following Jean-Baptiste Say, who had displaced mercantilism from French universities in the middle of the nineteenth century, and who drew on French thinking about liberalism. Like Cobden, France's leading economic theorists were also shaped by their regional backgrounds. Chevalier became interested in free trade after working on a project to re-establish woollen production in the Midi, which needed cheaper wool imports, and Frederic Bastiat came from Bordeaux, whose wine industry depended heavily on exports (Kindleberger 1975, 38).²⁵ Geopolitical context also mattered. As a *quid pro quo* for Napoleon's sponsorship of Chevalier's trade negotiations with Britain, against prevailing views in the French Senate, Britain turned a blind eye to his campaign driving the Hapsburgs from Italy. Prussia also had its own home-grown liberal political movement, led by Eugen Richter (Raico 1990).

The free trade doctrine was subsequently widely repudiated on the continent, beginning with France in 1875. With the exception of the Netherlands, all European countries increased their tariffs, at varying speeds. This also was a period of declining influence for Lockean liberalism on the continent, by comparison to Britain. The revolutions of 1848 accelerated the influence of socialism and thereby of state intervention. In this context, national sovereignty and freedom came to be associated with protectionism rather than free trade. Repudiation also was stimulated by distinct national experiences with free trade, reflecting positionality within the European economy. Germany, for example, was slow to abandon free trade, but eventually found favour with Friedrich List's infant industry argument. The grain invasion had undermined domestic agriculture, and import-substituting industrialization was proving effective. German manufacturing prospered during protection, competing successfully even in English markets by the first decades of the twentieth century.

Protectionism was the general rule in the British settler colonies that came to be dominated by Europeans. By the end of the nineteenth century, Canada, Australia, New Zealand and the United States had all introduced protectionist measures (Bairoch 1993).²⁶ The United States initiated protectionism in 1789. Largely indifferent to British influence and pressure after 1846, American attitudes

towards free trade were polarized along North–South lines. The Southern economy was based on exporting cotton produced under slavery, and its elites favoured free trade. The Northern economy was seeking to develop its industrial base, and supported import-substituting industrialization. The Civil War settled matters, and the USA became the ‘mother country’ of modern protectionism (Bairoch 1993, 32).²⁷

The future Third World experienced the sharp end of free trade, reflecting European enlightenment thought that treated the global South as its backward Other, needing encouragement and discipline to catch up with the civilized global North (Said 1978; Goldberg 1993). Colonies and independent countries treated as quasi-colonies (the Latin American republics, China, Thailand, the Ottoman Empire) were enjoined under British pressure to adopt the ‘unequal treaties’. These restricted import tariffs to a maximum of 5 per cent, opening their markets to European (and, later, American and Japanese) manufactures (Bairoch 1993).²⁸

1918–1944

Facing increased competition from German and American industry, Britain introduced some import tariffs in 1913, and in 1932, in response to the Great Depression, a *de facto* imperial preference system was adopted that lasted until Bretton Woods. This was accompanied by the rise of an economic discourse consistent with progressive liberalism, personified by John Maynard Keynes. He was critical of free trade under the circumstances then faced by Britain. Notwithstanding strong personal attacks by other economists, his ideas provided a rational foundation for an emergent Keynesian protectionist and interventionist policy discourse. Even Keynes did not reject the free trade doctrine, however, but simply argued that Britain was facing exceptional circumstances.²⁹

Each European colonial power had its own colonial preference system, maintained in an attempt to shore up their flagging economies. American industry had prospered behind tariff walls, and the Great Depression did not trigger any re-evaluation. The Great Depression was a symbol of the failure of capitalism, with the collapse of free trade and a reversal of globalization (James 2002), and progressive liberalism became anchored in the policy agenda of the United States under President Franklin Roosevelt’s New Deal. Nevertheless, the United States began to shift international economic policy

towards the free trade doctrine. Colonial preference was regarded as a tool for European countries to extend their influence at the expense of the United States, despite fading global economic and political power. The free trade doctrine provided a rationale for breaking this up. The Bretton Woods negotiations, begun in 1941, were initiated by America to provide a blueprint for a post-war economic order. Under American influence, and wartime indebtedness, European negotiators (led by Keynes) agreed to break up colonial trading regimes, making free international trade a central theme of this new global order. Supra-national institutions were established to manage it, notably the World Bank and the IMF, and an International Trading Organization was also envisioned, whose charter presented free trade not as an end in itself but as a means of promoting development and labour standards (Drache 2002). Yet the ITO was not ratified by the US Senate.

1944–mid 1970s

The emergence of Fordism, a consensus strategy for demand-side regulation of the national economy in the first world after 1945, was consistent with ongoing European scepticism towards free trade. The nation-state was seen as the predominant scale at which economic interests should be managed (Brenner 1999), and trade policy was an important management tool. International borders and trade barriers within Europe dissipated with the growth of the European Union, but Fortress Europe still persisted for outsiders. The US economy prospered from its ability to take advantage of international trade after 1944, fuelled by burgeoning demand in post-war Western Europe and Japan catalyzed by the Marshall Plan, as well as the newly opened colonial regimes. Reminiscent of England after Corn Law repeal, free trade after Bretton Woods was presented as a key to this era of prosperity – even though the size and diversity of the US means that it is not particularly dependent on its trade fortunes (Krugman 1994). Tariff levels fell, but the US never pursued the zero-tariff policy of nineteenth-century England. Lower tariffs were also offset with more complex non-tariff barriers, selective ‘retaliatory’ tariffs, and national financial policies manipulating interest and exchange rates of the US dollar to periodically alter global comparative advantage in favour of the US. As issuer of the *de facto* currency for international payments, the US was uniquely positioned to take advantage of such policies (Brett 1983; Porter and Sheppard 1998).

In the Third World, political independence after 1944 brought economic sovereignty, it seemed, but the free trade doctrine proved an empty promise for most. The ability to play two super-powers against one another combined with the end of colonial rule to create space for national protectionism. Third World countries seeking to industrialize pursued import-substituting industrialization and other protectionist strategies, and developed economic theories, notably dependency theory, to rationalize such practices. Yet their peripheral positionality within the global economy made these measures far less effective as a development strategy in the industrializing Third World than they had been for Germany and the United States. In Korea, Taiwan, Singapore and Hong Kong, a beneficial strategic positionality during the Cold War, which brought long-term American and British support, combined with developmental state strategies, which skillfully utilized both import-substitution and export-promotion to create competitive advantage in manufacturing. Elsewhere, declining terms of trade (Figure 1) and ISI-related indebtedness undermined economic growth and industrialization, leading to close state regulation of foreign investment and discussions of isolation as an alternative to free trade, but to little avail. Most nations gathered around the negotiating tables of the General Agreements on Tariffs and Trade, and other forums like the Group of 77 and the United Nations Commission on Trade and Development were even dominated by Third World participants, but there was little change in an inequitable trading order. First world proponents of free trade remained more guilty than most of abandoning the doctrine when this served domestic interests.

Mid 1970s–present

The end of Fordist prosperity in the first world in the mid 1970s, triggered by a combination of declining domestic profit rates and declining American manufacturing in the face of more competitive foreign imports, and catalyzed by the 'oil crisis', led to a re-evaluation of the big business, big labour, big government compromise of Fordism. This was presented as evidence of the failure of Keynesianism and state intervention into the national economy. The two central economic powers, the US and the UK, led a shift to supply-side market-oriented policies, and on the intellectual front, neoliberal economics emerged around Friedrich Hayek. Hayek had been laughed out of British economics in the

1930s by the Keynesians, but had the last laugh. His neoliberal political economy became influential, arguing that the new crisis required a return to market discipline.

Hayek is controversial as an economist, but his ideas resonated, and he proved as adept as Cobden at producing a movement to reshape what counts as economic knowledge. He gained notice as the result of his popular book *The Road to Serfdom*, and became a figurehead for the 'neoliberal' revolution. He, together with the organizations supporting his approach (including the Olin Foundation, who bankrolled his professorship at the University of Chicago), manufactured a series of key spaces within which pro-market 'classical' liberalism took root, shifting the terms of economic discourse. These include the Mount Pelerin Society, the Cato Institute, the Institute of Economic Analysis, the Adam Smith Institute, the Heritage Foundation, the American Enterprise Institute and the Hoover Foundation (George 1997; Ebenstein 2001; Hoover 2003). Economics experienced a similar sea-change in its discursive framework. When Hayek was awarded the Bank of Sweden's 'Nobel' prize in Economics in 1974, many (including Hayek) saw this surprising selection as a way of ameliorating the left-leaning choice of the co-awardee, Swedish economist Gunnar Myrdal. Since then, more than 25 per cent of the awardees have taught at or held a doctorate from the University of Chicago.

Thus, in a remarkable parallel with Britain in the nineteenth century, was born a new form of 'classical' liberalism coinciding with the USA's rise to dominance of the global political economy after 1989.³⁰ The free trade doctrine is at the centre of neoliberal principles (Shaikh 2004), but has been in many ways the least controversial principle to implement. The first world had been committed to free trade, rhetorically if not practically, throughout the GATT negotiations. During the 1980s, and under the pressure of debt-induced structural adjustment agreements with the World Bank and the IMF and the tendential hollowing out of their nation-state powers after Fordism, Third World elites abandoned almost all attempts to secure national borders against unwanted capital and commodity flows and adopted the free trade doctrine. Economic transition in the former second world after 1989 also entailed adoption of the doctrine, meaning that there now exists unprecedented general agreement on its correctness. The World Trade Organization symbolizes both the willingness of territories to cede sovereignty over

trade, and the acceptance of the doctrine as knowledge. Whereas the GATT rounds were emblematic of the principle that political negotiation is necessary to manage global trade, and ensure that free trade does not reinforce pre-existing global inequalities, the WTO epitomizes the position that national politics compromises the ideal of free trade, whose management should be left to professionals. As it spread, from Manchester boosterism to a Geneva-based globalism, the free trade doctrine shifted from a class- and region-based interest to a universal principle to be implemented by lawyers and bureaucrats.

Rhetoric and practice still do not converge, however. The WTO does not level the playing field, due to vast differences in the power of different nation-states to make their argument effectively, as well as decision-making structures such as the 'green room' which prioritize first world interests (Hoekman and Kosteci 2001). Recent breakdowns in Cancun are symptomatic of Third World frustrations with the inability of the WTO to redress trade inequities. First world nations continue to practise protectionism of domestic economic sectors, notably agriculture and industries, whose workers and managers are expert in lobbying the state. This induces continued specialization in primary commodities and low-wage assembly jobs in the Third World, in countries where barriers to manufactured imports are as low as they ever have been. In short, if there is an ocean of liberalism in the global economy, it is now in the global South, where the benefits of trade are most questionable (Bairoch 1993).

Conclusion

The time-space trajectory linking Manchester liberalism with the World Trade Organization in Geneva has reproduced a monist doctrine propounding the benefits of free trade. Manchester liberalism catalyzed Corn Law reform, and facilitated its representation as the moment in space-time when free trade practice began. The prosperity of the British economy during the succeeding half-century could thus be interpreted as providing empirical support for the free trade doctrine. Contemporary confidence that the doctrine is knowledge, to be managed bureaucratically by the WTO, can thus be traced back to a Manchesterist regional epistemology.

It does not follow, however, that this regional epistemology is the prime mover of the free trade doctrine. First, economics has provided a successful

research programme, international trade theory, which has fended off a variety of theoretical criticisms and has provided logico-deductive support for the doctrine throughout. Second, influential social forces have repeatedly supported the free trade doctrine, in principle. Its normative spatial discourse presents a moral ideal that holds attraction for neo-liberals, progressive liberals and post-structuralists. The economic theorems are reinforced by, even if not a consequence of, their resonance with European liberalism (of the hegemonic, Lockean, variety). In short, the free trade doctrine is consistent with powerful moral and logical arguments, and a variety of social movements and interests, at the national, sub-national and supra-national scales, have reproduced and re-enacted the doctrine at various times and places.

Yet all this does not permit us to conclude that the doctrine can be assessed as defensible knowledge about the world. The deductive power of international trade theory rests on unrealistic assumptions. Its status has not been achieved by showing that it is robust when these assumptions are relaxed, but by circling the wagons to protect its hard-core beliefs from scrutiny. The moral vision of liberalism, or even the European enlightenment, has increasingly been critiqued as a Eurocentric epistemology of little benefit to the global South. Finally, empirical arguments remain unconvincing. Britain's prosperity after 1846 undoubtedly also was a result of other developments, such as falling world-wide transportation costs, global migration and capital flows, and the dynamic external economies of industrialization (O'Rourke and Williamson 2000). Europe grew more rapidly during protectionism (1890–1913) than it did under the free trade treaties (1860–1890) (Bairoch 1993). Analysis of the effect of free trade, relative to other factors, requires an accurate theory (knowledge) of development processes. To date, such analyses are largely based on international economic theory, thereby reproducing rather than challenging its status. Finally, rhetoric about the free trade doctrine has generally not been consistent with the enactment of trade policy. Britain between 1846 and 1913 was the one nation ever to pursue zero tariffs. Yet it did so after rearranging comparative advantage in its colonies in its favour, and at a time when its comparative advantage was in manufacturing whereas that of America, France and Germany was in primary commodities. In all other cases, moves towards lower tariffs have generally been accompanied by national manipulations of

Table III Conditions for pluralist knowledge

Venues: Publicly recognized forums for criticisms of evidence, methods, assumptions and reasoning; criticism to be given the same weight as original research.

Uptake: Criticism must be taken seriously, and theories adjusted in the face of adequate criticism. Criticism must thus be accepted as valued and productive.

Public standards: There must be publicly recognized standards for evaluating knowledge claims and the relevance of a criticism to a particular knowledge claim, to which criticisms must refer in order to obtain a hearing.

Tempered equality: Communities must be characterized by equality of intellectual authority. The social position or power of a community should not determine which perspectives are taken seriously. Participation is tempered by the side-condition that full recognition of participants requires that they conform to the responsibilities and standards (above).

Source: Longino (2002, 128–31)

comparative advantage – non-tariff barriers, retaliatory measures and interest and exchange rate policies.

If we are to reach an adequate understanding of any phenomenon that qualifies as knowledge, Longino argues, we require a social approach to science quite different from current practices of knowledge production. This has four components: public forums for criticism; a respect for and uptake of criticism; public standards against which competing claims can be judged; and tempered equality as the basis for participation in critical debate (Table III).³¹ She argues that knowledge can be constantly changing; an emergent attribute of a ceaseless debate between different local epistemologies that nevertheless provides more reliable and justifiable knowledge about the world than some artificial resolution into a single static viewpoint. In this view, monist accounts can only be finally accepted as qualifying as knowledge/science after they have been subjected to criticism under these conditions.³²

In this view, the monist nature of the free trade doctrine, and its popularity, are insufficient for it to qualify as knowledge. Its monist status, in recent years, has not been attained through the kind of open and equitable critical exchange envisioned in Table I. Other local epistemologies conceptualizing trade have been articulated within economics (notably dependency theory, post-Keynesian theory and Marxian political economy), but have been largely ignored due to their failure to conform to the neo-classical hard core.³³ Further alternatives, including fair trade, protectionism, ecologically sustainable trade and barter, have significant support outside the academy, but little support within or in policy discourse. In the global South very differently situated understandings of free trade exist, grounded in encounters with its consequences. Here, freer trade is associated with disruption of production;

commodification of nature and labour; shifts from subsistence to cash crops; increased dependence on distant places; lower wages; ecological disruption; and barriers to industrialization. Such understandings fail to gain adherence from local political elites committed to the free trade discourse.

The power-geometry of discussions about trade and human welfare remains centred on the free trade doctrine, thereby prioritizing selective first world perspectives. In this sense the theory has not travelled far from its influential Manchester origins – only reaching Geneva. Yet if my argument is persuasive, that the free trade doctrine remains a local epistemology, and if the different perspectives listed above can be drawn into the kind of critical exchange envisioned by Longino, then we may yet move towards knowledge about world trade that has broader justification than a dispassionate analysis accords to the free doctrine.

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Notes

- 1 Irwin (1996, 3) reports that 95 per cent of all economists surveyed in the USA in 1984 accepted the free trade doctrine.

- 2 The doctrine itself can be traced back to the classical Greek idea of the universal economy.
- 3 Irwin (1996, 116) traces this debate back to 1645.
- 4 Irwin (1996, 153) traces this back to 1669.
- 5 For the purposes of this paper, I restrict analysis to international trade.
- 6 'Cognitive' refers to approaches that are not social, typically relying instead on rationality and observation.
- 7 For an exception, see Itoh and Negishi (1987).
- 8 cf. Sheppard (2000).
- 9 In *Positive Economics*, described by colleague Friedrich Hayek as 'quite as dangerous' a book as Keynes' *General Theory* (Hoover 2003, 304), Milton Friedman defends unrealistic assumptions as justified if the results look plausible. Positivist philosophers are unconvinced (Nagel 1963).
- 10 Mary Poovey (1998) argues that the assumption of balanced trade (1a) originates in eighteenth-century arguments asserting the morality of merchants, from which double-entry bookkeeping emerged, perhaps explaining its unquestioned status even for critics of the mainstream position.
- 11 Ohlin (1933) also notes how relative location challenges 'modern' trade theory. See also Eaton and Kortum (2002).
- 12 Even his title, *Against the Tide*, constructs the free trade doctrine as attaining the status of knowledge by surviving against the odds, rather than by dismissing alternatives.
- 13 Recall that mathematics itself is not a hermetic logical system (Gödel 1931).
- 14 Indeed, political economy emerged from moral philosophy.
- 15 I am grateful to Ellen Messer-Davidow for this point.
- 16 Although the ACLL did not include professional political economists, the Manchester School in economics first articulated 'economic' (free market) liberalism. The twentieth-century economic liberalist John Jewkes did teach economics at the University of Manchester much later, in the 1940s, when the academic journal *Manchester School of Economic and Social Studies* was founded.
- 17 Alternative rationales grounded in political entrepreneurship also exist, but are not analysed here (Cain and Hopkins 1980; Lusztyg 1995; Verdier 1997).
- 18 The 1832 Parliamentary Reform, extending the franchise beyond the landed classes, further undermined the power of landlords.
- 19 I use 'positionality' to describe how different entities are positioned with respect to one another, and within space-time generally; cf. Sheppard (2002).
- 20 The contours of liberalism remain under debate. John Gray argues that it can be divided into two broad schools. 'Viewed from one side, liberal toleration is the ideal of a rational consensus on the best way of life. From the other, it is the belief that human beings can flourish in many ways of life' (2000, 1). Gray traces the latter approach from Hobbes through Isaiah Berlin to himself, making an argument for a liberalism that is pluralist but not relativist, but this is the path less taken. The former is the dominant approach, and in turn can be subdivided into two broad streams – a 'private property' liberalism beginning with Locke, in which freedom is associated with property ownership, and a more progressive liberalism, emerging first in England in the late nineteenth century, that acknowledges a role for the state in ensuring individual liberty.
- 21 Joseph Schumpeter comments that Ricardo 'piled one simplifying assumption on another until, having really settled everything by these assumptions, he was left with only a few aggregative variables between which, given these assumptions, he set up simple one-way relations so that, in the end, the desired results emerged almost as tautologies' (1954, 472–3).
- 22 Liberalism saw free individuals as responsible for their own fate. Poor Law reform obliged the able-bodied poor to work as a precondition for state support, abolishing the Speenhamland system that had offered local support for anyone making less than a living wage. This was supported by Manchester capitalists, because it encouraged poor people in the rural South to migrate and work in their factories. I am grateful to Dr Margarete Grandner for pointing out this connection. Note the parallels between the combination of workfare and free trade in the 1830s–1840s, and that of welfare reform and neoliberalism in the 1990s–2000s (Somers and Block 2005).
- 23 Manchester roots were not only important to establishing the free trade doctrine, but also shaped the direction that economic liberalism took in late nineteenth-century England. While this was a period of *laissez passer* (as the eighteenth-century French Physiocrats referred to free trade), it was by no means a period of *laissez faire*. For example, the Factory Acts passed in the 1830s and 1840s placed state restrictions on working conditions and the employment of women and children. Manchesterism's legacy, then, was a trajectory of liberalism focused on deregulating exchange rather than production.
- 24 The mid nineteenth century also saw attempts to identify limits on the free trade doctrine in economics, as Robert Torrens analysed its effects on terms of trade, and J. S. Mills developed the logic behind the infant industry argument. Each was roundly castigated by their colleagues for departing from the free trade doctrine (Irwin 1996), and in a period of British prosperity found little support for their logically consistent critiques.
- 25 Cobden's triumphal post-repeal tour of Europe included a stop in Bordeaux, where he received a riotous reception (Hinde 1987, 173).
- 26 America, Australia and Canada were also a source of powerful theoretical critiques of the free trade doctrine in the twentieth century that reflected their

- current situation (Irwin 1996). The American Frank Graham examined the impact of increasing returns (a characteristic of its industrial agglomerations) on free trade in the 1920s. The Australian J. B. Brigden led a 1929 report by the Australian government, showing that in a nation that is an exporter of agricultural and primary commodities, operating under diminishing returns, free trade would hurt the working class. In the 1980s, at a time when Canada was chafing under what was seen as an excessive degree of foreign ownership of domestic manufacturing firms, the Canadians James Brander and Barbara Spencer showed how under monopolistic competition it was beneficial for a government to subsidize the exports of domestic firms competing with foreign firms in a third foreign market.
- 27 Cobden admired America as epitomizing his liberal ideals, and the Civil War posed a quandary for him (Hinde 1987, 304–12). His opposition to slavery meant that he could not support the South, but his opposition to war-making meant he could not support President Lincoln. Yet when the North blockaded cotton exports, the major source for Britain, his liberalism and Britishness – and his belief that the North would lose anyway – led him to oppose the blockade as ‘bringing misery on the masses in Europe’ and urge the North to raise the blockade in return for a promise of no British interference in the outcome of the war.
- 28 Prior to propagating these treaties, Britain and other European colonial powers had already employed trade tariffs in trade with colonies, and policies designed to create dependence on the market within colonies, in order to undermine the manufacturing base of India and Africa – thereby forcing on them a competitive advantage in primary commodities (Raffer 1987).
- 29 From the 1940s to the 1980s, Keynesian economics came to dominate British universities, unlike the US, and leading British economists, most notably Joan Robinson and J. R. Hicks, expressed reservations about the free trade doctrine. The Romanian economist and Minister of Industry and Trade, Mihaïl Manoilescu, provided a new theoretical critique of the free trade doctrine that supported protectionism in 1929. He showed that if wages remain higher in industry than agriculture, then a country with a comparative advantage in agriculture may be better off using tariffs to limit specialization in agriculture and support domestic industry (Irwin 1996).
- 30 ‘Classical’ is Hayek’s term, evoking Locke as the source of liberal thought. Gray (2000) argues that this is misleading. For discussions of how neoliberalism differs from its nineteenth-century progenitor, see Jessop (2002) and Rose (1999).
- 31 The principle of tempered equality is particularly important, echoing attempts of feminist philosophers of science to radically diversify the community of scientists and thereby decentre the knowledge claims that emanate from a largely male, white and first world community of scientists (Harding 1991).
- 32 Her argument is less reductionist than attempts by Haraway and Harding to articulate a ‘strong’ objectivity as a result of confrontations between gendered standpoints or situated perspectives. It is reminiscent of Habermas’ ideal speech community, but without his insistence on consensus. Her proposals envision a particular spatiality of knowledge, superficially analogous to an idealized actor-network: any coherence in the interchange between local epistemologies is the result of a constant struggle to hold the network together (cf. Law 1992). Unlike the self-organizing nature of an actor-network, however, she imposes rules on its operation (Table I) to ensure a maximally pluralist debate and prevent any single centre of calculation (or local epistemology) from dominating truth-making.
- 33 In particular, the belief that legitimate economic theory must be based on methodological individualist ideas of rational choice by many autonomous agents of equivalent social influence.

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