

DISCOURSE

Where Did Our Belief in Abundance Come From?

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Many historians want us to wash our mouths with soap every time we happen to use the derogatory term, “the Dark Ages.” Granted, it wasn’t all dark, and of course, everything that came before it wasn’t bright. But mind you, the Roman Empire really did fall. The collapse of economic specialization and cultural sophistication after the fall of western Rome was absolutely devastating and can be traced in almost any measure of living standards. In some remote provinces, writing disappeared entirely.

For several subsequent centuries, there was a sense of decay, as desperately poor people walked among the ruins of buildings, made of material they could not reproduce and constructed in ways they could not comprehend. In these conditions, it was easy to adopt the Augustinian belief that the fall of man had clouded our senses and wits, and made it impossible for us to understand and improve the world.

How did we get out of this Malthusian malaise, and start to believe in progress and embrace the idea of abundance? It is a long story: In Charles Freeman’s recent, monumental tracing of the “re-opening of the western mind,” “The Awakening,” he has to turn it into a 1,200-year story, taking place between A.D. 500 and 1700.

Our purpose here, though related, is slightly narrower: to trace the historical underpinnings of the idea of abundance—the events and ideas that made us believe that we don’t have to be content walking in the ruins of an impressive past, but we can achieve, create and innovate to make the future richer and brighter.

Economists and historians never tire of debating the question: Did ideas improve material conditions, or did material improvement change our ideas? The answer is yes: Both are indeed true. We made progress before we started thinking about it seriously. But a change in ideas made that progress possible, and then, having seen this progress, it encouraged a transformation in theories and rhetoric, recently traced by Deirdre McCloskey in her bourgeois trilogy, that opened the doors to the industrial revolution and the great enrichment.

Rediscovering the Ancients

Even in the worst of times, there were cracks in the wall of despotism, feudalism and religious orthodoxy, in independent cities, marketplaces and borderlands. Traders continued to venture out into the unknown and ungoverned, and created wealth, made discoveries and imported new ideas. They were especially adept in the Italian city-states of the 14th and 15th century, such as Florence and Venice. Their newly acquired wealth, stimulated by financial innovation, encouraged a competitive market for sophisticated art and architecture.

McCloskey downplays the Renaissance, since it was an aristocratic and not a bourgeois venture, but even though it didn't create broad-based *economic* growth, to me it seems to be a pivotal moment in opening European thought to the idea of progress and to regain cultural self-confidence.

Relations with the much wealthier Arabs, and eventually the Chinese, broadened minds. The very fact that Europe had been so backward for so long created a sense that it was possible to make great leaps by borrowing new ideas and methods. This sentiment would have been impossible in previous centuries, but in 1432, the Florentine humanist Matteo Palmieri could write: "Anyone of intelligence thanks God for being born in these times, in which the excellent arts of the mind flourish more than at any other time in the last thousand years."

But the Renaissance had itself been preceded by an intellectual revolution. In the 13th century, Europe had reconnected with ancient Greek philosophy and science, at first from Arab translations. If Galen could understand so much about human anatomy and Ptolemy about geography more than a millennia ago, why couldn't we?

Especially important was the great Aristotle, the pioneering observer of life, the universe and everything. When Thomas Aquinas integrated Aristotelianism in Christianity in the 13th century, it invigorated a new curiosity about nature and provided a methodology for understanding it. Instead of the earlier Church's otherworldliness, parts of the Christian establishment and secular elites now embraced Aristotle's understanding that "in all things of nature there is something of the marvelous," which could also be seen as a sign of God's providence. Renaissance Humanists came to conclude that humanity had not been fully incapacitated by sin after all.

However, ancient thinking could limit innovative thinking: The Church had a tendency to fossilize that innovative thinking into new orthodoxies. Instead of always borrowing Aristotle's empirical approach, the Church imitated his conclusions (that celestial bodies were only in uniform circular motion, for example) and turned it into articles of faith.

If the rediscovery of the ancients made the Renaissance possible, it was only by being as irreverent to the ancients as the ancients had been to their predecessors that we got the Enlightenment.

Breaking the Orthodoxy

People started seeing things on their journeys of discovery that didn't agree with conventional wisdom. Sailors realized that Ptolemy's groundbreaking world map needed revisions and in 1492, Columbus discovered a whole continent that the Bible had apparently forgotten to mention. "The simple sailors of today have learned the opposite of the opinion of the philosophers by true experience," as one explorer concluded in 1545.

Dissections revealed things about the human body that Galen had not seen. Comets and sunspots showed that the heavens seemed to be in flux, and Jupiter's moons indicated that not everything revolved around Earth. Almost nothing did, it turned out. Since reason and empirical study had already been given a prominent role by the Church's Aristotelian turn, this avalanche of new discoveries overwhelmed established orthodoxy. As Jack Goldstone writes in "Why Europe?," "Thus the Europeans, more than any other major civilization, suddenly found that the classical tradition that they had sought to embrace now had to be escaped if they were going to understand the true nature of their world and their universe."

The world turned out to be full of wonder, just waiting for our wits, telescopes and microscopes to grow sharper. This was the opening needed for an increasingly bold empirical study of the world. And if you understand the world, it's a small step to begin to manipulate it and improve it.

Soon, thinkers were experimenting and searching for "useful knowledge" that could be accumulated and exploited to build better technology and improve methods. In 1660, the Royal Society was founded in London, with its motto "Nullius in verba," meaning "take nobody's word for it." Crucially, the society was open to anyone who contributed new useful insights and inventions, not just professional scientists.

Intellectuals and innovators began to meet in coffee shops, where people gathered to hear the latest news and gossip, read newspapers, debate ideas and test theories. In England, these meeting places were sometimes called "penny universities," since anyone could join the discussion and listen to the latest hypothesis for just the price of a coffee.

The Republic of Letters

Why did European kings and churches not just stop this dangerous new knowledge if it upset the status quo? It wasn't for lack of trying. Books were banned, thinkers silenced and heretics burned, by both Catholics and Protestants. (Martin Luther condemned Galileo almost a century before the pope did.)

But Europe was just too fragmented to make repression across the continent possible, as the Chinese emperor or Ottoman sultan could do in their huge domains. Every European country, city and university suppressed *something*, but by moving to the place most hospitable to their particular heresies, freethinkers and innovators always found an outlet.

And even when the thinkers didn't cross the borders, their books and letters did. The Republic of Letters was a remarkable spontaneously organized institution, consisting of intellectuals who corresponded on philosophy, politics and science. Originally, a small group of like-minded thinkers just wanted to share and test new ideas and stay up to date with what the others were doing, but their principles of free entry and contestability turned it into a growing community of thousands, of great importance to technological advances in textiles, steel, electricity, medicine and countless other fields. It was not formally established nor designed, but it came to be "the main institution behind the meteoric takeoff of useful knowledge in Europe during the Scientific Revolution and the Enlightenment," according to economic historian Joel Mokyr, who recently documented its importance in "A Culture of Growth."

In his book "The Invention of Improvement," Paul Slack writes that a belief in a steady rate of improvement began to take hold in 17th-century England. No more did England think that prosperity and well-being would come from returning to some better past. Instead, it would come from applying human ingenuity to improve skills, work the land better and engage in trade and industry. Indeed, the very word "improvement" was of recent coinage, first applied to broader areas than agriculture in the mid-17th century. In his interpretation of the Enlightenment, Peter Gay explains: "Fear of change, up to that time nearly universal, was giving way to fear of stagnation; the word innovation, traditionally an effective term of abuse, became a word of praise."

This perspective was expressed in many works—for example, in John Locke's founding document of classical liberalism, 1689's "Two Treatises of Government." Jean-Jacques Rousseau famously expressed the zero-sum theory of economics in 1755, saying that the great robber of mankind was "the first person who, having enclosed a plot of land, took it into his head to say 'this is mine.'" In fact, 65 years earlier, John Locke had already refuted such assumptions, with the much more modern idea that productivity and market exchange create prosperity for both sides: "he who appropriates land to himself by his labour, does not lessen but increase the common stock of mankind." Since the individual who encloses land increases its production by some hundred to one, according to Locke, the agricultural entrepreneur does not take one acre from mankind, but gives it 99 acres.

The Dutch Abundance Lesson

Locke did not just *speculate* about economic growth: He had witnessed it in Amsterdam, where he was exiled under the last Stuart kings. Nothing convinced Europeans of the possibility of economic and technological development as much as seeing it with their own eyes in the Dutch Republic.

In the late 16th century, the Dutch had started a revolution against Habsburg Spain. What a crazy idea: There were almost no people in Holland, just a bunch of merchants with no unified church or state, no powerful aristocracy, no serious military and few natural resources. This "undigested vomit of the sea" (as an English satirist called Holland) was up against the mightiest empire on the planet. And yet it brought Spain to its knees.

At the end of an eight-decade war, it was Spain that was depleted and impoverished, having declared state bankruptcy five times. The sodden Dutch periphery, on the other hand, had attained unprecedented prosperity, with a rapidly growing global empire. And while the brutal war was going on, the Dutch managed to develop an extraordinary cultural efflorescence, with world-leading artists, printing houses, scientists and philosophers.

One English observer found that Dutch lands did not produce “grain, wine, oil, timber, metal, stone, wool, hemp, pitch, nor, almost any other commodity of use; and yet we find, there is hardly a nation in the world which enjoys all of these things in greater affluence.” The Dutch Republic was now not just the richest country in world history, but a standing rejection of previous economic theory: The Dutch experience proved that wealth does not come from land and resources, but from trade, finance and innovation. These did not require state control, but private property, free trade and toleration. That was the key: While the quantity of land and resources is fixed, there is no limit to human ingenuity.

These ideas had seduced intellectuals even before the Dutch stadtholder William of Orange invaded England in 1688 (known as “The Glorious Revolution”). Dutch liberalism was now transplanted into a larger body with more people and lots of coal. With steam engines and textile machines, mankind started to break out of the Malthusian trap—at the precise moment Thomas Robert Malthus sat down to formulate why the trap was inescapable.

So when mid-18th-century liberal economists like Turgot and Adam Smith wrote about how free markets unleashed progress, their ideas did not come from ivory towers, but from workshops, farms and factories. Smith provided an optimistic worldview of positive sums and mutual benefits, but he also thought that investment opportunities would diminish as countries grew richer, and classical economists Ricardo and Mill elaborated on this with depressing fears about stationary states and iron laws of wages.

Luckily, Smith had other disciples, who had seen more of the industrial revolution and started to develop theories about dynamism and entrepreneurship. They were the first to formulate the possibility of abundance, in a way that heralded Julian Simon’s thoughts about the human brain as “the ultimate resource.”

Prophets of Abundance

In the early 19th century, the French economist Jean-Baptiste Say pointed out that mankind “neither create nor destroy a single atom [but we] change the combinations of things.” Therefore, the real source of wealth is the mind: “there is a creation, not of matter, but of utility; and this I call production of wealth.”

This is the reason why Say thought that growing populations are not the problem—which the Malthusians proclaimed—but the solution. More people will create more ideas, more combinations and more growth: “It is the abundance of productions, and not the scarcity of

consumers, which procures a plentiful supply of whatever our necessities require; and the most populous countries are in general the best supplied.”

It was the great British Whig politician and historian Thomas Babington Macaulay who gave the idea its definite formulation in 1846:

Look at North America. Two centuries ago the sites on which now arise mills, and hotels, and banks, and colleges, and churches, and the Senate Houses of flourishing commonwealths, were deserts abandoned to the panther and the bear. What has made the change? Was it the rich mould, or the redundant rivers? No: the prairies were as fertile, the Ohio and the Hudson were as broad and as full then as now. Was the improvement the effect of some great transfer of capital from the old world to the new? No, the emigrants generally carried out with them no more than a pittance; but they carried out the English heart, and head, and arm; and the English heart and head and arm turned the wilderness into cornfield and orchard, and the huge trees of the primeval forest into cities and fleets.

Man, man is the great instrument that produces wealth.

This was the reason why Macaulay refused to see limits to progress, and instead speculated that in the future, the population would be larger but also much “better fed, clad, and lodged.” He thought that the luxuries of the few would be within the reach of every workingman, that “machines constructed on principles yet undiscovered, will be in every house” and that we will have “added several more years to the average length of human life.”

Whig historians were of course ruthlessly mocked for their naïve optimism. In retrospect, it is clear that they were the only ones who had the slightest idea of the monumental change that the world was beginning to undergo. This wasn’t just because they were sharp observers of the world around them, but also because the belief in abundance they helped to establish had elements of a self-fulfilling prophecy. The emerging cultural sense that progress was possible helped to convince people to bring down barriers to trade and innovation.

The ensuing industrial miracle and great enrichment helped mankind to escape the Malthusian trap, at last. It is the reason most of us are here and can devote some of our time to thinking about theoretical concepts about abundance. Malthusian ideas kept coming back of course—they still surround us—but the growth genie has been out of the bottle ever since and the mindset of abundance has been a part of our culture. Never again can the concept of progress be dismissed as impossible. Macaulay’s classic question from 1830 is therefore aimed directly at present-day declinists and reactionaries of all parties:

We cannot absolutely prove that those are in error who tell us that society has reached a turning point, that we have seen our best days. But so said all who came before us, and with just as much apparent reason ... On what principle is it that, when we see nothing but improvement behind us, we are to expect nothing but deterioration before us?

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