

HARMONIES
ÉCONOMIQUES

PAR
Frédéric
FRÉD. BASTIAT.

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AUGMENTÉE DES MANUSCRITS LAISSÉS PAR L'AUTEUR.

— Publiée par la Société des amis de Bastiat. —

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RUE RICHELIEU, 14.

1851



**David M. Hart, “Frédéric Bastiat’s Philosophy of Markets”
[The Friedman Conference, 17 July, 2022]**



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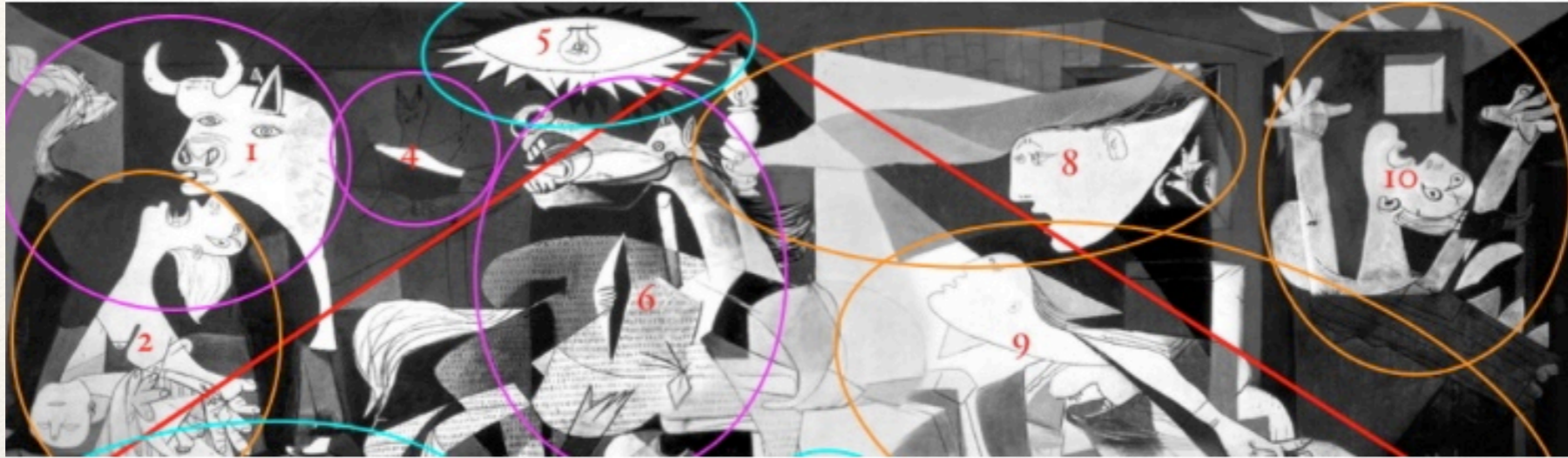
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About this Blog

This blog contains the thoughts and musings of [David Hart](#) concerning the classical liberal tradition, war and the state, and film and art. His [main website](#) contains his research and a growing library of books in the classical liberal tradition. See the [most recent additions](#).



[David contemplating the move back to Sydney.]

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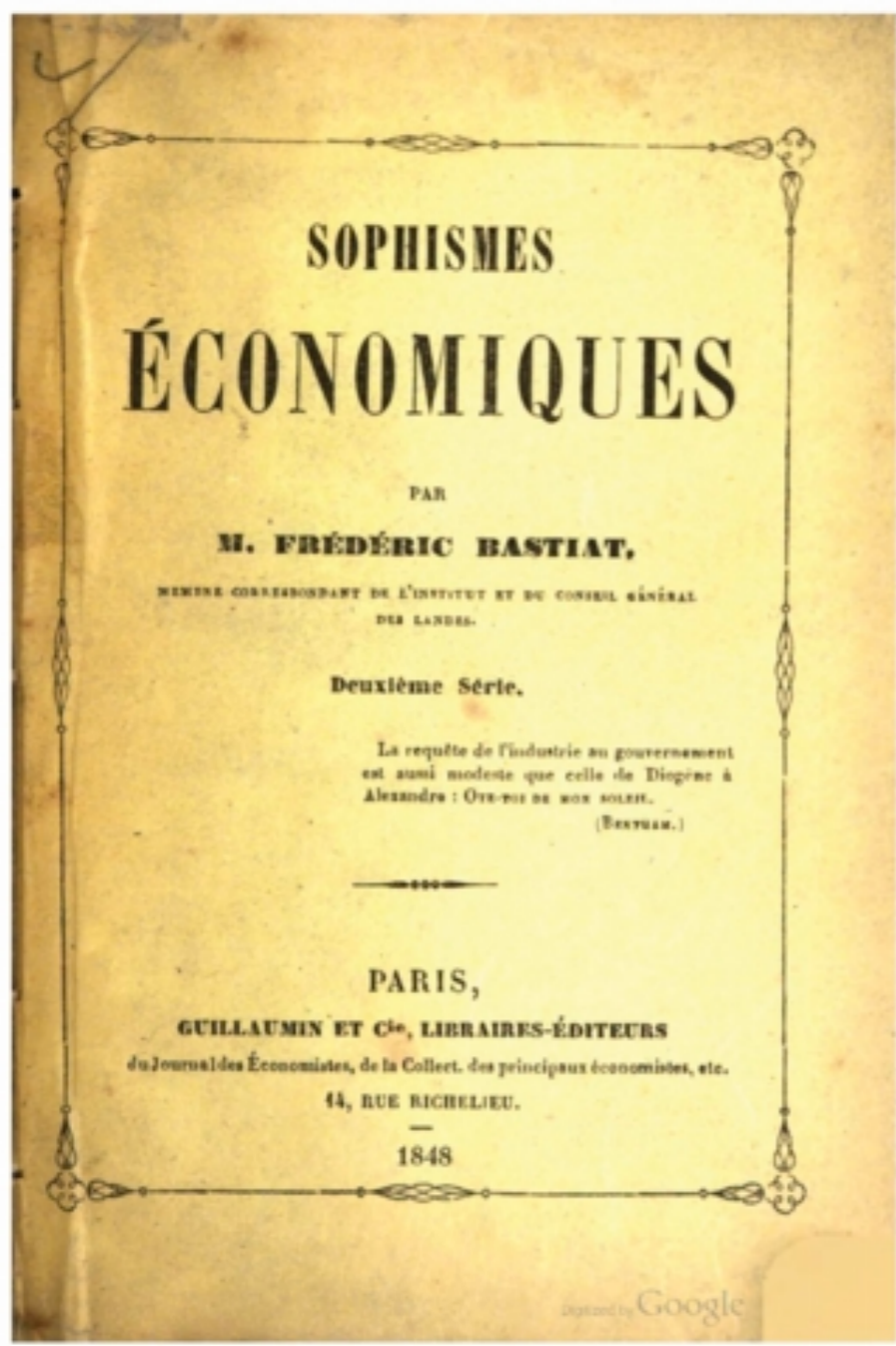
Frédéric Bastiat (1810-1850)



The French political economist, politician, and journalist Frédéric Bastiat (1801-1850) placed “markets” and mutually beneficial “exchange” at the very heart of his theory of economics which he elaborated in

- ❖ a two volume collection of essays *Sophismes économiques* (Economic Sophisms) (1846, 1848),
- ❖ a long essay on “La Loi” (The Law) (1850), and
- ❖ his unfinished treatise *Harmonies économiques* (Economic Harmonies) (1850, 1851)

Bastiat's Theory of Markets 1



- His ideas should be regarded as a sophisticated and theoretically rich “philosophy of markets” as he combined
- ❖ moral theory (the natural right to own property, opposition to the initiation of coercion against others),
 - ❖ economic theory (efficiency, prosperity, the primacy of consumers), and
 - ❖ sociology (the class structure of the state, the organisation and history of “la spoliation” (plunder))

Bastiat's Theory of Markets 2

HARMONIES ÉCONOMIQUES

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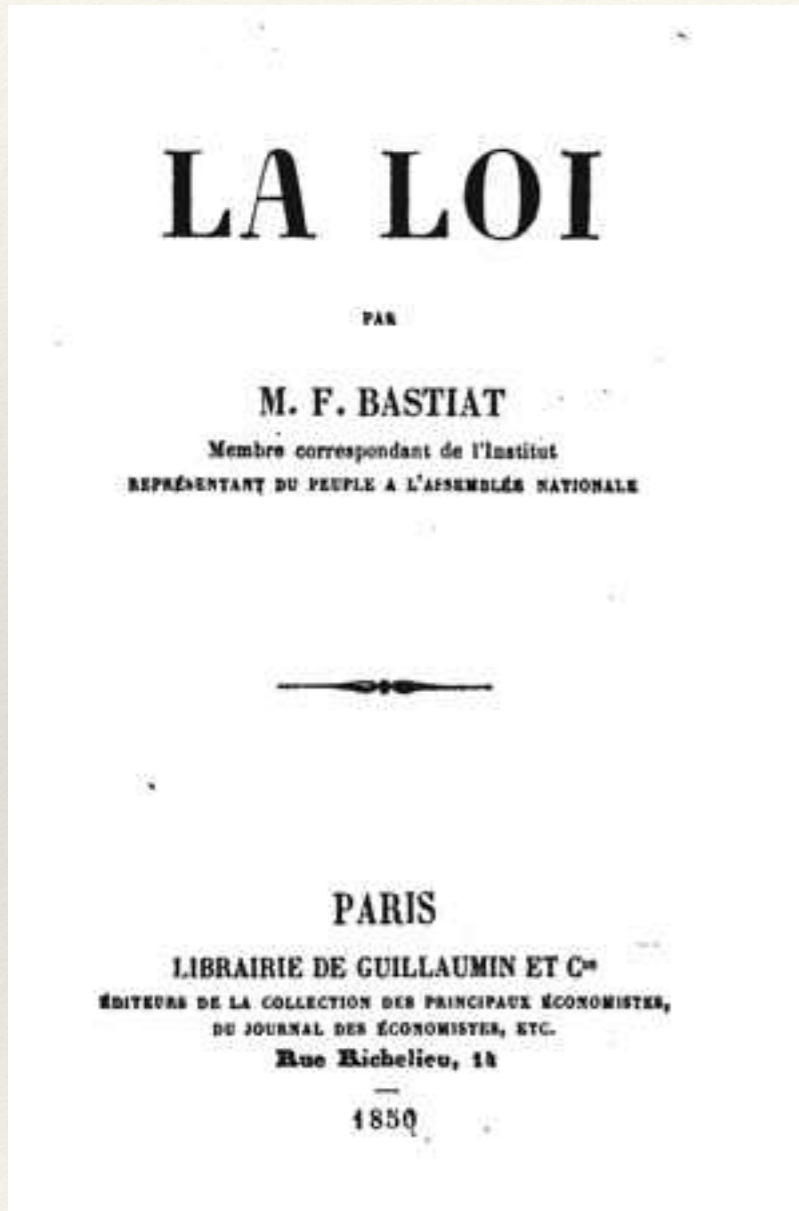
14, RUE RICHELIEU,

1850

His theory has the following key aspects:

- ❖ all individuals have needs and desires (des besoins) which they attempt to satisfy by taking action (les efforts) , either alone or by interacting with others in “markets”
- ❖ to explain how an individual makes choices when acting alone, Bastiat developed a theory of “Crusoe economics” to illustrate the nature of “human action” (l’action humaine) which influenced the thinking of Murray Rothbard in the 1950s and 60s when he was writing his treatise *Man, Economy, and State* (1962)

Bastiat's Theory of Markets 3



- ❖ when individuals interact with others to satisfy their needs they create “markets” (or “the market”) which are made up of a multiplicity of individual exchanges
- ❖ an exchange is the voluntary and mutually beneficial exchange of “service for service” (service pour service)
- ❖ over time emerges an “apparatus of exchange” (l’appareil de l’échange) - a collection of practices, beliefs, customs, laws, and institutions which make markets / exchange possible on a large and continuing scale

Bastiat's Theory of Markets 4

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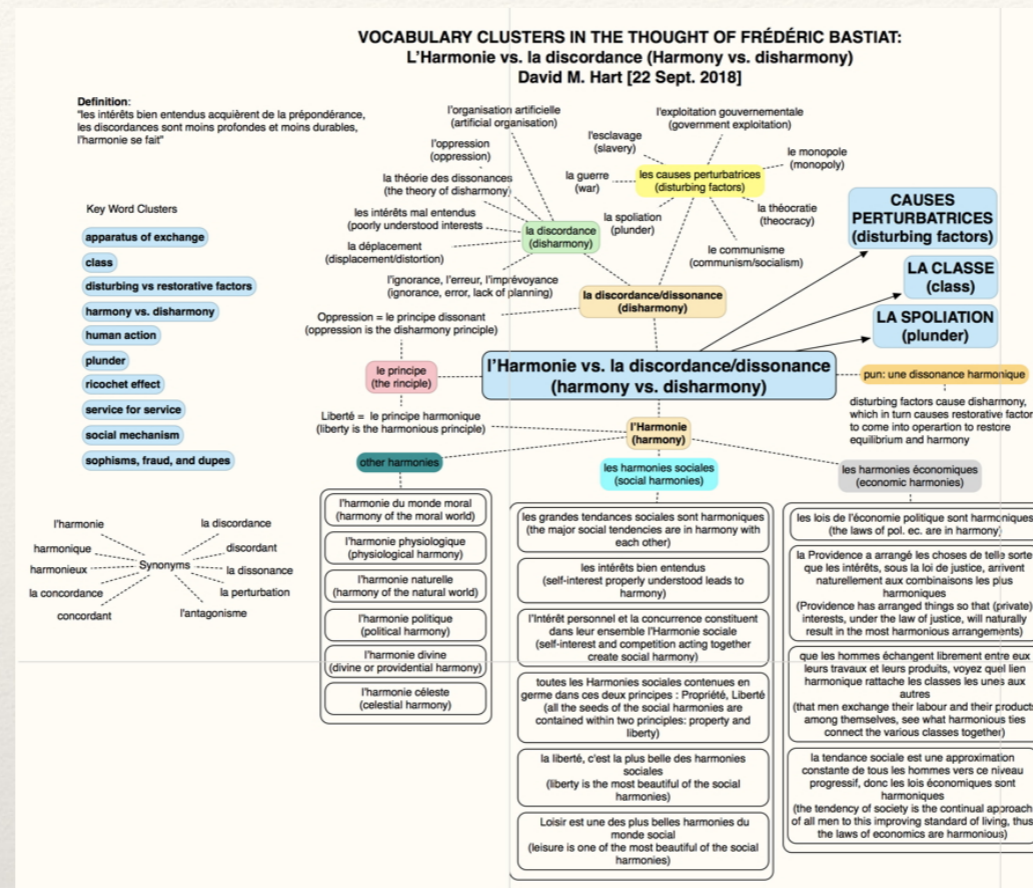
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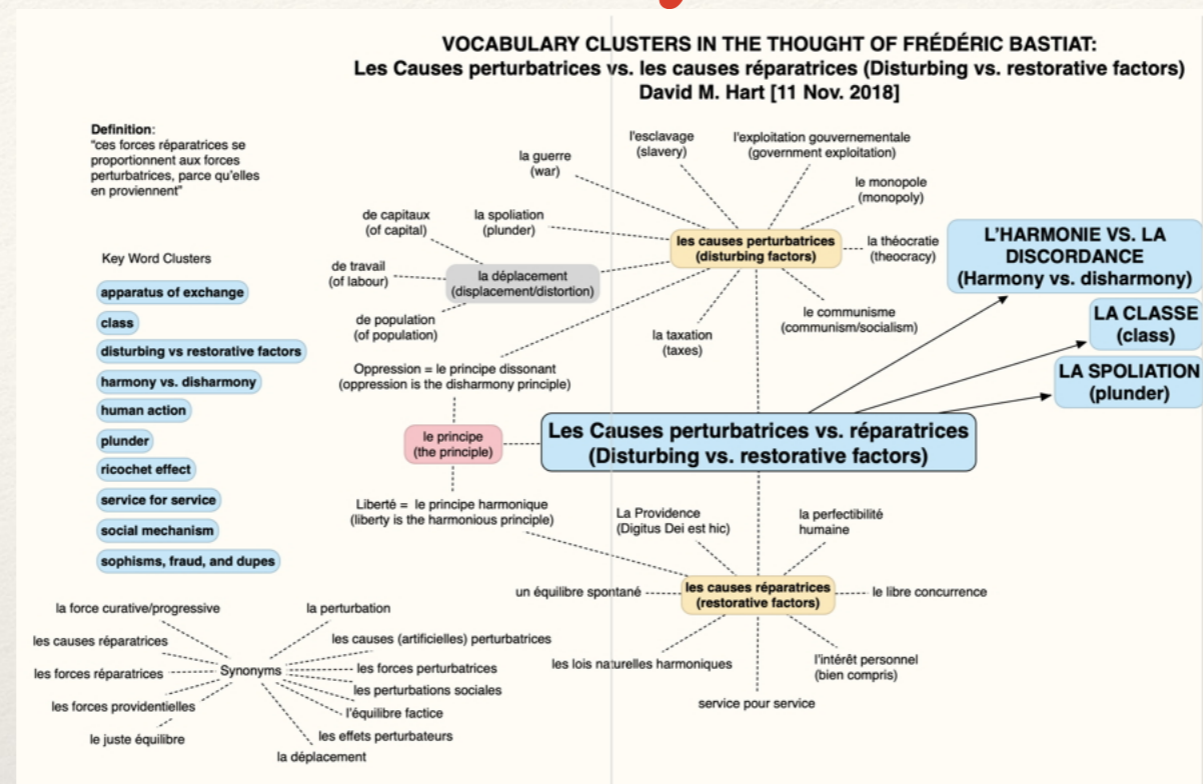
- ❖ society can be regarded as “one Great Bazaar” (un immense bazar), or a large number of interlocking / parallel markets (compare Hayek’s “Great Society”)
- ❖ markets are normally / potentially “harmonious” for all participants (domestic or international) unless disrupted by coercion and other “disturbing factors” (des causes perturbatrices) which creates “disharmony” (la dissonance)
- ❖ if allowed to flourish unmolested markets can produce peace, prosperity and justice for those who participate in them

Bastiat's Theory of Markets 4



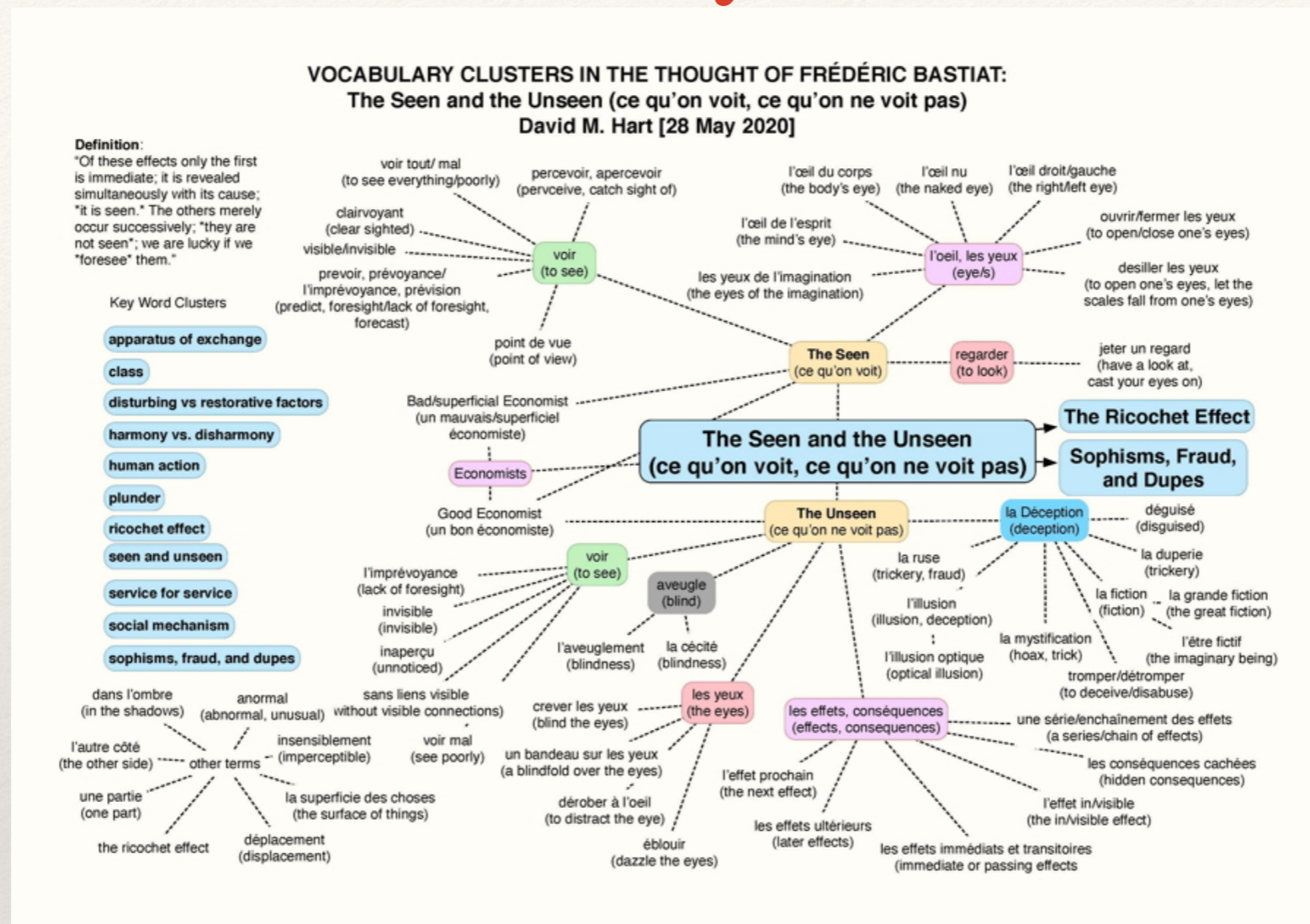
- ❖ if they are “disturbed” by government intervention markets can become “distorted” and cause economic hardship, conflict, and injustice
- ❖ Markets are both fragile (they can be broken by “disturbing factors” like coercion and plunder) and robust (they have a self-repairing feature or “restorative factors” (des causes réparatrices))

Bastiat's Theory of Markets 5



- ❖ to properly understand the complexity of markets, especially if they are “disturbed” by government intervention, Bastiat developed his famous theory of “the seen” and “the unseen”,
- ❖ where “the seen” is what is obvious and immediately visible to observers, and
- ❖ “the unseen” are the hidden, delayed, or unexpected consequences of that intervention into markets which are not so obvious and apparent but nevertheless inevitable

Bastiat's Theory of Markets 6



- ❖ the opposite of “markets” (harmony) is “la spoliation” (plunder) (disharmony “la dissonance”), the history of which Bastiat planned to write another volume but died before he could finish it
- ❖ the ideal of liberals like Bastiat and his friend Richard Cobden is “free markets in everything”

Further Reading

- ❖ Works by and about Bastiat <<http://davidmhart.com/liberty/Index-Pages/frenchCL.html#bastiat>>.
- ❖ David M. Hart, “Bastiat on the Seen and the Unseen: An Intellectual History” <<http://davidmhart.com/liberty/Papers/Bastiat/SeenAndUnseen/Bastiat-VocabCluster-SeenUnseen.html>>.
- ❖ David M. Hart, “Bastiat on Harmony and Disharmony” <<http://davidmhart.com/liberty/Papers/Bastiat/HarmonyDisharmony/index.html>>.
- ❖ David M. Hart, “The Paris School of Liberal Political Economy, 1803-1853” <<http://davidmhart.com/liberty/Papers/ParisSchool/index.html>>.