

3.3. JEAN BAPTISTE SAY (1767 – 1832)



Adam Smith wrote his famous text, **An Inquiry into the Nature and Causes of the Wealth of Nations**, in 1776. However, his economic ideas did not become popular until the nineteenth century, when the so – called classical economists took the profession by storm. Smith’s **insistence** that the economy would allocate goods and services efficiently if left to its own devices became the **battle cry** of the classical economists. One of the most famous of the classical economists was Jean Baptiste Say.

Jean Baptiste Say was born on January 5, 1767, to a Protestant merchant family in Lyons, France at that time, and the government’s secret police persecuted people who **subscribed** to Protestant and other “revolutionary” beliefs. The Say family fled from France and moved to England while Jean Baptiste was still a boy.

AN EARLY INTEREST IN BUSINESS

Following in the footsteps of other family members, Say developed an interest in business. He serves **two business apprenticeships** in England and, when he decided it was safe he returned to France and accepted a position at an insurance firm in Paris. At his employer’s suggestion, Say read Adam Smith’s **Wealth of Nation**, as a result of which he decided to become an economist. Because of the political climate in France, however, “becoming an economist” was not an easy task. Formal university training in the subject **was banned** by the ruling class. Say was forced to learn the subject **on his own**. As a revolt against the monarchy began in France, Say became an enthusiastic supporter of the Revolution. In exchange for his **outspoken** defence of the new republic, Say was made a member of the French **Tribunate** in 1799.

NEW CAREERS

In 1806, Say’s political career ended **abruptly** when he refused out of principle to **concur** with Napoleon’s financial plans. He removed himself from political life altogether. He moved to northern France, where he established a textile mill. Borrowing cotton-spinning techniques from the British, Say quickly became a successful entrepreneur, gaining new insight into the role. Napoleon’s defeat at Waterloo in 1815 cleared the way for Say to return to Paris. He sold his textile mill and began a new career, giving lectures on politics and economics at the Athenee in Paris.

Say also published another economic book in 1815, his **Cathehism d'economie politique**. Less than two years later the restored Bourbon government acknowledged Say's contribution to the field by creating a position for him as Chair of Industrial economy. In 1829, Say published a work intended to teach economics to the French **populace**, **Cours complet d'economic politique pratique**. The six-volume text, his last major work, was intended to be a complete course "to teach statesmen, landowners, businessmen, and, in general all citizens, about political economy".

Shortly after the publication of the **Cours complet**, Say was awarded the Chair of Political Economy at the College de France. It was the first chair of political economy created in that country. He died in 1832 at the age of 65. Economists still use the circular-flow model that Jean Baptiste Say developed. His insight that income generated by the production of goods also provides for the consumption of those goods, as well as his work defining the factors of production – especially the entrepreneur – are today regarded as foundations for economic analysis.

Task:

1. Who opposed the reading of Adam Smith's works and why?
2. Describe the political situation in France in the second half of the 18th century.
3. What was the beginning of Say's carrier?
4. Why did J.B. Say decide to become an economist?
5. Was it an easy task to become an economist at that time?
6. What helped him to become a member of the French Tribunalate?
7. Why did Say's political career end so abruptly?
8. What was he busy with in northern France?
9. What cleared the way for Say to return?
10. How did the restored Bourbon government appreciate him?
11. What was his major work intended to be?
12. What was he awarded after the publication of the Cours de complet?
13. Do the economists still use his teaching?
14. Explain the meaning of the emphasized words?
15. Discuss the text with your groupmates.