Introduction:

Institutions of Demand and the Process of Industrialization

A sea change in the history of industrialization has occurred in recent decades. Explaining the massive transformations wrought by industrialization has long served as the lodestar for historians of economic life. Whether interested in the creation of capitalist social relations, the invention of mechanized production, or the appearance of material abundance, historians have tended to embrace either implicitly or explicitly the conclusions of classical economics that while the ultimate end and purpose of all production may be consumption, it is the actions of producers that make economic growth possible. In the quest to explain instances of growth, historians have therefore persistently sided with the supply side of the equation. To the extent that the demand side has figured into their models, economic historians have tended to treat it as a simple function of population and income. In perhaps the strongest rejection of the role of demand in economic development, Joel Mokyr invoked the lingering lineage of Say’s Law that supply creates demand to assert that the sole source of aggregate growth is to be found in the decisions and resources of producers.¹

In their search for the one true cause of all economic growth, however, these historians frequently neglected the fact that sustained economic growth requires the

circuits of investment and production to close and that this can only be accomplished by
the decisions and resources of consumers. Buoyed by the tide of a series of innovative
studies of property inventories, historians in the 1980s noted a paradox emerging in the
late eighteenth century across the Atlantic World: population and income may have been
steady, but people’s possessions suddenly became more varied, more extensive, less
durable, and more attuned to the flows of fashion. Manufactured consumer goods—dresses
and sheets, dishes and spices, trinkets and lighting from around the world—could be
observed filtering into the daily lives of every strata in society. ² People in the eighteenth
century may not have had more money to spend, but they spent what money they had on
more things. This paradox implied a parallel between rising consumerism and revving
industrialization.

Ensuing explanations for the link between industrialization and consumption in the
eighteenth century have proceeded along two mostly compatible lines. According to Jan de
Vries, demand for consumer goods propelled industrial growth by promoting
“industriousness” as families oriented their household labor toward market activities in
order to procure manufactured goods.³ Contrary to earlier models that ignored the role of
consumption, de Vries places the desire for consumer goods at the origins of increased

² Ad van der Woude and Anton Schuurman, eds. Probate Inventories: A New Source for the Historical Study of
Wealth, Material Culture, and Agricultural Development (Utrecht: H&S Publishers, 1980); Daniel Roche, The
People of Paris: An Essay in Popular Culture in the 18th Century, trans. Marie Evans with Gwynne Lewis
(Berkeley: University of California Press, 1987); Lorna Weatherill, Consumer Behavior and Material Culture in
inventaires après décès (XVIIe–XVIIIe siècles),” Revue d’histoire moderne et contemporaine 36, no. 3 (July–
September 1989); Annik Pardailhé-Galabrun, The Birth of Intimacy: Privacy and Domestic Life in Early Modern
in Early Modern Europe,” in Consumption and the World of Goods, eds. John Brewer and Roy Porter (New
Economic History 54, no. 2 (June 1994) 249–70; The Industrious Revolution: Consumer Behavior and the
Household Economy, 1650 to the Present (New York: Cambridge University Press, 2008).
industrial output. Unfortunately, evidence in support of his thesis remains mixed, and it leaves unexplained what prompted the growing desire for consumer goods in the first place. Nevertheless, de Vries has revealed the historical shift from self-sufficient and localized production to a market-oriented economy and placed consumers at the crossroads.

According to Maxine Berg, meanwhile, demand for consumer goods propelled industrial growth by prompting manufacturers to innovate new products, designs, and techniques in order to attract the discerning if ephemeral tastes of a burgeoning consumer market. Reversing the direction of Say’s Law in which changes in supply entrain changes in demand, Berg presents a model in which changes in consumer tastes catalyze producers to innovate new materials and processes in their pursuit of fleeting profits. Although Berg’s work is largely confined to consumers and producers in Britain, it situates them within a transnational marketplace and highlights the interactions between supply and demand at local and global levels. In the wake of these two approaches and the scholarship each has inspired, it has become evident that the history of industrialization must include a history of demand as well as supply, and that in place of arguments over the primacy of one or the other we must look instead to the connections between them.

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This dissertation examines the emergence of institutions that shaped and facilitated consumption in the early stages of industrialization. It argues that as the scope and scale of economic activity—production, distribution, and consumption—increased, new ways of communicating information about commodities, about qualities and tastes, had to be developed. As economic interaction intensified and markets spread beyond local contacts, new ways of lubricating the frictions of commerce became necessary. Ultimately, the success of these institutions would be a necessary precondition for future economic growth founded on consumer demand. Using the French porcelain industry of the eighteenth century as a case study, this dissertation argues that the process of building demand-facing institutions was undertaken deliberately by generations of consumers, merchants, manufacturers, bureaucrats, and political economists in order to facilitate the transfer of commercial information. Their actions were not disinterested, however, and the institutions that resulted bear the marks of intense competition as each sought to bend them toward their own economic and political interests. Ultimately, these actors were so successful that by the nineteenth century the institutions they erected had become invisible, naturalized as a function of the market; by the time Say's dictum became dogma, these institutions could plausibly be assumed.

One of the more prominent developments within economic history in recent decades has been the spread of the New Institutional Economics. From its founding, the New Institutional Economics attempted to explain the rise of Western European economic predominance in the early modern period by identifying aspects of the market that made economic transactions more efficient and brought individual and social gains into
alignment. Institutions represent the framework of rules governing interpersonal interaction—ranging between informal customs established and enforced culturally to formal laws established and enforced politically—that structure and guide the actions of individuals within it. What differentiates the New Institutional Economics from neoclassical economics is a recognition of uncertainty in human affairs. Building on the concept of transaction costs first developed by Ronald Coase, the New Institutional Economics asserts that within any economic exchange individuals face uncertainty caused by imperfect and often unequal information about the object of exchange and whether the other party will uphold their end of the agreement. Crucially, it recognizes that obtaining information and enforcing contracts entail costs on behalf of both parties, costs carried in every transaction that cause friction and slow or impede economic exchange. In order to minimize these transaction costs participants develop institutions, with more efficient institutions enabling cheaper, quicker, and more extensive exchange and the benefits from trade and specialization that follow. By doing so, the New Institutional Economics allows for explanations of gradual economic growth without exogenous shocks. Furthermore, this approach emphasizes that effective institutional solutions to economic problems can take a variety of forms and be centered at multiple levels of society, often concurrently.

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a study of the institutions that shape economic activity and the varying degrees of efficiency engendered by different institutional frameworks, the New Institutional Economics offers a lens through which to examine the underlying causes of economic growth and conduct comparative analysis over time.

This dissertation applies insights from the New Institutional Economics to the problems of demand in the early modern period. It argues that consumers inhabited a world where information was slow, limited, and costly, and that as a result they faced difficulties in evaluating the attributes and price of a commodity and the very real potential of being cheated. While these problems were widespread in the early modern economy, it would have been in the one-off purchase of distantly manufactured, high-value goods that the costs and asymmetries of information would have been at their highest and the potential for cheating most pronounced. This dissertation examines the development of new institutions designed to reassure consumers of the value of their purchases and protect them from abuses as consumer culture first began to emerge and as merchant capitalism was supplanted by industrialization.

Although the behavioral models deployed by the New Institutional Economics differ in key respects from those of neoclassical economics, they have nonetheless inherited a conception of rationality that limits its analysis of consumption to maximizing utility within given constraints. From its founding in the late nineteenth century, neoclassical economics declared the maximization of pleasure, particularly through the consumption of commodities, to be the central problem of economics. At the same time, neoclassical economists recognized that pleasure itself is not an observable or quantifiable fact. But

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prices are. In an effort to establish mathematical and scientific rigor, neoclassical economics developed a theory of demand in which the consumer sought to maximize their utility within a set of preexisting preferences and constraints. By the time neoclassical economics attained hegemony within the discipline following the Second World War, it treated acts of consumption as a “revealed preference” of “a priori” constraints. Tastes could cease to matter entirely; there were only relative prices and information. The introduction of transaction costs to neoclassical utility theory qualifies that information about the suitability of a particular commodity to satisfy a desire is costly, but it takes the desire itself as fixed, preexistent, assumed. As Alfred Marshall warned, however, the method of economics is mechanical, its scope is limited to the study of individual actions within narrow constraints. To explain economic change over time these actions must be situated within their historical context. This dissertation argues that the appropriateness of any economic theory depends upon the feasibility of its underlying assumptions within a given historical and institutional environment. The ability of neoclassical economics to reasonably assume at its theoretical foundation an individual who maximizes utility by purchasing different goods at different prices according to a preexisting set of preferences thus depends on and reflects a society of individualized and market-oriented consumers.

acting within institutions that exist to provide information about and permit comparison of
diverse goods and services, but that also exist to form and develop the underlying tastes
and preferences the consumer seeks to maximize. From this view, it is crucial that
neoclassical economics emerged amidst the inchoate consumer culture of the late
nineteenth century and that it reached its zenith in the hyperconsumerism of the postwar
West. In this sense, neoclassical economics was the inheritor of a hidden history of
institutional innovation that made its very existence possible.

If the New Institutional Economics provides a framework through which to examine
the institutions that facilitate consumers’ ability to gauge quality and price in the market,
we must turn to the Old Institutional Economics in order to glimpse the institutions that
forged the tastes and preferences that drove people to consume. From its founding, the Old
Institutional Economics rejected neoclassical economics’ “hedonistic conception of man
[as] a lightning calculator of pleasures and pains” and instead emphasized that “The wants
and desires, the end and aim, the ways and means, the amplitude and drift of the
individual’s conduct are functions of an institutional variable” that is the product of
historical development.\textsuperscript{17} In place of the rational and utility-maximizing individual, the Old
Institutional Economics drew attention toward the collective structures and rules that
shape individual actions.\textsuperscript{18} In doing so, they also drew attention toward the process of
consumption and its development over time.\textsuperscript{19}

\textsuperscript{18} John R Commons, “Institutional Economics,” \textit{American Economic Review} 21 (December 1931) 648–57.
\textsuperscript{19} Wesley Mitchell, “The Backward Art of Spending Money,” \textit{American Economic Review} 2, no. 2 (June 1912) 269–81. It is difficult to paint accurately with a broad brush, and as Malcolm Rutherford has argued there are
important congruities between Old and New Institutional Economics as well as incongruities within each.
However, as concerns this dissertation, the Old Institutional Economics appears to have taken much more
seriously the question of consumption as an exogenous rather than endogenous factor. On the relationship
Perhaps the most salient factor impacting the interests of the field of economics in this period was the gendering of consumption that accompanied industrialization. Over the course of the eighteenth and nineteenth centuries, consumption practices across the North Atlantic were gendered to render collection and perspicacity masculine forms of consumption while designating the twin burdens of quotidian consumption for the family and the practice of frugality as feminine forms of consumption. Within the discipline of economics, the result was that those economists who most seriously and rigorously treated the problem of consumption were almost exclusively women. Among them, Hazel Kyrk developed a theory of consumption that transcended the maximizing selection between goods to reveal the underlying social determinants of choice itself.

For Kyrk, the process of consumption consisted of a series of three distinct phases: choosing, buying, and using goods. She held that the ultimate end of consumption was the use of a particular good or service and pointed to the measurement of social welfare through such use, but largely left this matter to future work. In order to obtain the use of a good or service within a “pecuniary” market society marked by property rights and capitalistic motivation, she argued, consumers select among the options and prices of various goods offered by the existing state of production and technology. While accepting


the neoclassical axiom that in a free society such choices determine prices and the allocation of productive capacity, she criticized the antidemocratic nature of economic inequality and insisted on the importance of regulation and public spending for increasing social welfare.\(^{25}\) Within the buying process, however, Kyrk anticipated key caveats of the New Institutional Economics by drawing attention to the asymmetries of information and power when “The individual, as consumer, is brought into touch with the whole industrial and business world.”\(^{26}\) It is precisely out of this imbalance, she held, that the institutions of marketing and retailing emerged to provide information about product quality to consumers, to rationalize and structure the act of individualized consumption in a system of industrialized production.\(^ {27}\) For Kyrk, marginal utility theory could be a useful tool for explaining the practical activities of buying and selling and the resulting determination of value, but only given the historical emergence of institutions between producer and consumer that were necessary to the efficient functioning of the economy.

Here Kyrk proposed a revolutionary new consideration. “The consumer’s function as choosers of goods involves not only the practical activities of expenditure and marketing,” she argued, “but also a selective, choice-making process, by which the values which are reflected in market choices come to be. The student of consumption must consider not only the fact that the individual buys and how he buys, but what he buys and why he buys what he does.”\(^ {28}\) The underlying question was thus not one of value, but the imprint of values. For this Kyrk drew attention away from the individual and toward the institutions that shape

\(^{25}\) Ibid., 23–84.
\(^{26}\) Ibid., 85.
\(^{27}\) Ibid., 85–109.
\(^{28}\) Ibid., 131.
the standards of consumption for a particular time, place, and social status. By determining
the meanings and uses of different goods and services, these institutions thus determine
the ends consumers seek through the act of purchasing, the pre-market determination of
the hierarchy of values after which point the market activity of buying becomes merely a
technical problem.\textsuperscript{29} This dissertation draws on Kyrk’s model in order to explicate the
importance of institutions for facilitating the transfer of information about the quality of
goods on the market as well as underlying conceptions of taste. It argues that an analysis of
the deliberate development of institutions at both levels is needed in order to explain the
patterns of growing consumption in the early stages of industrialization.

In her explanation of the function and formation of socially determined standards of
consumption, Kyrk drew from the models of demand prevalent within the Old Institutional
Economics. Perhaps foremost among these was Thorstein Veblen’s analysis of conspicuous
consumption, according to which the desire for distinction drives consumers to purchase
the trappings of social esteem, to demonstrate social status through ostentation and excess.
Though he saw consumption among the leisure class as most emblematic of this process,
Veblen argued that standards of consumption exist within each class and are shaped by
custom and tradition, with the driving motive being outward display and upward
mobility.\textsuperscript{30} Though working through issues ranging from evolutionary psychology to
religion to the fashion cycle in order to explain the existence of historical standards of
consumption and their evolution over time, Kyrk unfortunately did not develop these

\textsuperscript{29} \textit{Ibid.}, 147–71. Marina Bianchi has arrived at similar conclusions from a different direction by adapting
theories of entrepreneurship, discovery, and alertness from Austrian economics to the problems of the
consumer: Marina Bianchi, “Introduction,” in \textit{The Active Consumer: Novelty and Surprise in Consumer Choice}

\textsuperscript{30} Thorstein Veblen, \textit{The Theory of the Leisure Class: An Economic Study of Institutions} (New York: Modern
Library, 1934) 68–114.
issues much beyond the state in which she found them.\footnote{Kyrk, \textit{Theory of Consumption}, 172–278.} In recent decades, however, interdisciplinary work in material culture studies has opened up new pathways through which to explore the formation and communication of meaning about consumer goods. It is here that Kyrk’s connections between value and values within a market society can be brought into sharper focus.

The studies of historical consumption that flowed following the 1980s drew their theoretical framework primarily from anthropologists. In \textit{The World of Goods}, for example, Mary Douglas and Baron Isherwood repeated many of Veblen and Kyrk’s critiques of neoclassical economics. But whereas the Old Institutionalists saw a hierarchical model of class-specific and hierarchical consumption practices, Douglas instead portrayed consumption as part of a language of social meaning within which individuals choose strategies of social engagement and self-identity.\footnote{Mary Douglas and Baron Isherwood, \textit{The World of Goods} (New York: Basic Books, 1979), esp. 15–94.} For Douglas, the system of goods created a network within which every object developed referential meaning, and it was these meanings that consumers selected between and that constructed a material culture.\footnote{\textit{Ibid.}, 71–4.} At the core of the methodological system for analyzing consumption in the ensuing decades was a focus on the symbolic and communicative meanings of goods for consumers.

Since the beginning of the twenty-first century, studies of material culture have broadened our understanding of the role of objects in society. Rather than treating artefacts as passive embodiments or vessels of abstract meaning, scholars working within this approach have attended to the physical and interactive presence of objects in everyday life. Core to this conceptualization is the question of how people have engaged with various
objects and what this can teach us about the past.\textsuperscript{34} As historians such as Leora Auslander and Giorgio Riello have argued, the power of incorporating material culture into historical narratives is that it enables us to not just append material evidence into existing stories, but to reconceptualize our understanding of history by moving beyond written works and into the lived experience of the past.\textsuperscript{35} Furthermore, as Alfred Gell has suggested, an approach that incorporates material objects can reveal networks of agency in which artist, object, meaning, and recipient all interact with and shape one another.\textsuperscript{36} This dissertation focuses on the interaction between people—whether scientists, retailers, artisans, or consumers—and materials as they shaped the meanings of objects and the social and economic structures those objects mediated during the early stages of industrialization.

The recent focus on material culture has altered our understanding of the political meanings of early modern consumption. The traditional history of consumption in this period emphasized the centrality of royal and aristocratic authority in shaping consumption patterns in the seventeenth and eighteenth centuries.\textsuperscript{37} Since Norbert Elias’s pathbreaking work on court society, historians have seen absolutism as a heliocentric monarchy: politics, society, economy, and culture revolved around the body of the king. For Elias, the character of court society was that it created a social structure within which


people sought status in abiding by evolving rules of interaction and presentation. The consumption and display of material objects were central to this structure because it was in the minutiae of its symbolic practices that the social system recreated itself and individuals asserted their place in it. And the gravity that held the entire system together and gave it its characteristic shape was the authority of the monarch, his glory and his power, upon which the stability and strength of the nation depended. Chaos would the consequence of the waning of the sun at the center of society.  

The operations of the court society have provided fertile ground for generations of scholars working in the shadow of Elias’s monumental work. They have meticulously recreated the ceremonies and spectacles of court life and revealed the inner workings of court society in meticulous detail. They have painstakingly described the precise patterns of display and mechanisms of authority in order to reveal the meanings of material goods and daily ceremonies in court like Versailles as they shaped the meaning and practice of royal authority.  

As William Beik reminds us, however, absolutist power was never absolute. It depended on the pragmatic articulation of traditional systems and collaboration with other sources of authority in order to pursue its mission of centralized power.  

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consumption that the abstract qualities of style and the power relations of taste find concrete expression as people navigate their meanings.\textsuperscript{41} Absolutist authority depended on the ability of the monarch to set the standards of taste, but the Crown was never able to dictate those standards. Taste was never a simple matter of distinction and mimicry. Rather, the monarchy attempted to influence and guide prevailing styles in order to reinforce its prestige. To do so, it collaborated with guilds, bureaucrats, merchants, and individual artisans in a complex ballet of production, distribution, and consumption.\textsuperscript{42} A series of recent studies have suggested a relationship between the rise of popular consumption during the eighteenth century and the emergence of revolutionary politics by focusing precisely on the everyday practices of consumption, both in the purchase and use of material objects, and the political meanings that emerged from these practices. Together they lay bare the withering hegemony of the monarchy over taste against the growth of popular patterns of consumption.\textsuperscript{43} This dissertation argues that both of these trends were connected through the institutions erected to facilitate consumer information. The efforts of the monarchy to shape the cannons of taste in directions that would reinforce its own prestige necessitated institutions through which such information could spread. At the very same time, by making information about style easier to communicate more broadly,


\textsuperscript{42} Ibid., 29–109.

both geographically and socially, these institutions created a context in which taste could increasingly be obtained or at least aspired to by private individuals.

But the changing practices of consumption did not occur in a vacuum. The first major exogenous shock to this institutional context was the emergence of a truly transnational material culture. As Sidney Mintz argued in his classic study, there was a complex interrelationship between the rising system of capitalist production—manifesting both as colonial plantation slavery and industrial wage labor—and the social meanings of sugar consumption in eighteenth-century Britain. To understand this interrelationship, he believed, it is necessary to study both the “inside” meanings of these objects and the “outside” systems within which those meanings were shaped.44 Recent studies in material culture have connected early modern European consumption with the growth in global trade to show how specific objects gained meaning in use. The story these studies tell is one of globalization and interconnection as new objects filtered into the daily lives of consumers and found new meanings and uses across the globe.45 Such studies have served as an important corrective to older historical narratives in two ways. First, they have challenged the Eurocentrism of perspectives that have championed the primacy of Europe

in the early modern period and replaced it with ones that situate subsequent European
economic growth within a global context. Second, they draw our attention away from the
abstract ideas of great and the impersonal statistics of cliometrics that have dominated
economic history and instead center it on the practices and meanings of everyday
consumption. Each of these advances simultaneously presents a challenge, however.
Pushed too far, an overemphasis on interconnection flattens the world. And too narrow of a
focus on the transfer and adoption of new objects can lose sight of the institutions within
which such transfer occurs, the specific challenges these institutions present, and the
actors who worked to overcome them.

In the last decade (particularly in the aftermath of the Great Recession), political
economy has moved to the forefront of the intellectual history of the eighteenth century.46
In place of whiggish narratives of liberalism ineluctably replacing mercantilism and the
“new science of political economy” cleansing the stale remnants of an archaic regime, these
new studies have depicted a broad range of participants working to make sense of a
changing economic landscape.47 As Paul Cheney has shown, writers concerned with
commercial issues in the eighteenth century were deeply attuned to the tensions raised
between a globalizing economy and the inherited institutions of absolutist society. They
wrestled with the ramifications of imperial connections and what it meant for monarchy
and metropole.48 Yet political economy was at its heart a tool of reason of state.49 And

46 Michael Kwass, “Capitalism, Political Economy, and Inequality in Eighteenth-Century France: Writing
47 See, for instance: Stephen L Kaplan and Sophus A Reinert, The Economic Turn: Recasting Political Economy
in Enlightenment Europe (New York: Anthem Press, 2019).
48 Paul Cheney, Revolutionary Commerce: Globalization and the French Monarchy (Cambridge, MA: Harvard
University Press, 2010).
amidst the incessant warfare of the early modern period reason of state revolved around international rivalry, both military and commercial. Conflict in one arena blended into conflict in the other, but the sole ambition of economic policy was the success of one's own country in the global struggle of silver and steel. Political economy in the eighteenth century, then, dealt largely with the problem of how to develop a country's economic resources so as to achieve predominance within a transnational marketplace of goods.

Though long painted as an obsession with hoarding specie and winning the balance of trade, mercantilism in its various national incarnations was more of a general orientation to economic policy that responded to the conditions of the early modern economy. In mercantilism’s French variant, Colbertism, industrialization was a project of the utmost importance. But for the architects of industrial growth, the integration of and competition in markets encountered serious obstacles to obtaining a consumer market large enough to fuel industrial expansion. As James Carrier has argued (echoing statements made by Kyrk decades earlier), with the expansion of the early modern market in both breadth and depth, interpersonal and ongoing economic relationships gave way to impersonal market exchanges. As producer and consumer drifted farther apart in space

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and time, new institutions had to emerge to communicate trust and confidence between them.\footnote{James Carrier, \textit{Gifts and Commodities: Exchange and Western Capitalism since 1700} (New York: Routledge, 1995) 84–105.}

As Philippe Minard has demonstrated, the difficulties consumers faced in obtaining product information in expanding early modern markets engendered a range of institutions designed to reassure consumers about the quality of various goods and prevent abuses. This problem was particularly acute, at least from the standpoint of policymakers, in the international market for exports. In response, countries like Britain and France developed systems of regulation and inspection in order to overcome the high transaction costs of a disjointed market, drawing on existing institutions of guilds and trade associations and constructing a bureaucratic apparatus as necessary in order to smooth the flow of goods and information and facilitate economic growth.\footnote{Philippe Minard, \textit{La fortune du colbertisme : État et industrie dans la France des Lumières} (Paris: Fayard, 1998) 15–31; \textit{idem.}, “Réputation, normes et qualité dans l’industrie textile française au XVIII\textsuperscript{e} siècle,” in \textit{La qualité des produits en France (XVIII\textsuperscript{e}–XX\textsuperscript{e} siècles}}, ed. Alessandro Stanziani (Paris: Belin, 2003) 69–89; \textit{idem.}, “Le Bureau d’essai de Birmingham, ou la fabrique de la réputation au XVIII\textsuperscript{e} siècle,” \textit{Annales. Histoire, Science Sociales} 65, no. 5 (September–October 2010) 1117–46; \textit{idem.}, “Facing Uncertainty: Markets, Norms and Conventions in the Eighteenth Century,” in \textit{Regulating the British Economy, 1660–1850}, ed. Perry Gauci (New York: Routledge, 2011) 177–94.} For Minard, the interventionist state policies of mercantilism in its various designs was a response to the limits imposed by high transaction costs in the early modern economy, and by the end of the eighteenth century mounting political and ideological pressure had relocated these institutions from the state to the market.\footnote{\textit{Idem.}, \textit{Fortune du colbertisme}, 363–72.} Felicia Gottman has extended these considerations of the role of state regulation in fostering domestic production by highlighting the importance of fashion and style in the adoption of global goods. Here, it
was the challenge presented by imports that spurred efforts to regulate and promote industrial activity.\textsuperscript{55}

While Minard’s and Gottman’s work offer tremendous insight into the problems confronting consumers in the early modern economy and reveal a range of responses to these problems, they focus almost exclusively on the formal institutions that emerged to overcome them. As Jean-Yves Grenier has carefully outlined, however, quality in the Old Regime was not a straightforward matter. Beyond considerations of material quality—for instance, colorfastness of textiles, durability of ceramics, or oxidation of wine—consumer goods were embedded within a hierarchical society in which the social status of producers, consumers, and objects alike were mutually determining.\textsuperscript{56} The result, for Grenier, was that the use value of any particular good represented a shifting mixture of material qualities and social meanings that at any point in time could both be evaluated individually and communicated socially.\textsuperscript{57} To transmit such information in the marketplace required not only institutions that could carry precise reassurances of material quality, but also those that could convey social meaning and status; institutions that could provide information in the act of purchase but also in deciding what to purchase.

As Alessandro Stanziani has argued, communicating this second type of information required the construction of an informal framework of norms and systems of belief about quality that coexisted with the structure of laws and regulations and served the same


purpose of enabling consumers to overcome asymmetries of information.\textsuperscript{58} By drawing attention to the importance of norms, codes, and customs operating at local, national, and international levels, Stanziani points toward a continuity in institutions that developed gradually over the course of centuries.\textsuperscript{59}

Though perhaps shorn of its Marxist categories of feudalism and class struggle, Perry Anderson’s observation that “All the structures of the Absolutist State thus reveal the action from a distance of the new economy at work within the framework of an older system” continues to ring true.\textsuperscript{60} Economically, the eighteenth century was marked by the expansion of market exchange driven by international trade, the growth of industrial organization and production, and the first steps toward a consumer society that could absorb the goods brought by both. This dissertation builds on the work of Minard and Stanziani by arguing that there were a range of potential institutions available to overcome asymmetric product information and counteract the risk of cheating, but that the prevalence of each depended upon the specific conditions shaped by the extent of the market, the difficulty of obtaining information, and the varying capacities of different actors to mitigate those transaction costs. Enterprising bureaucrats, retailers, manufacturers, and consumers worked endlessly to reorient their activities in an economy, society, and polity that increasingly revolved around markets and money. But they did so using institutions inherited from generations past while imperceptibly altering them for generations future.


This dissertation examines the institutions of consumer demand in the eighteenth century through the case study of a specific luxury industry. Doing so immediately raises the problem of defining what is and is not luxury. It is precisely the ambiguity and flexibility of the meaning of luxury that makes it a useful lens through which to analyze consumption in the eighteenth century, as the flood of recent works on luxury can attest.61 It is perhaps this very same ambiguity that made the topic of luxury a mainstay in eighteenth-century political and moral discourse. Authors across Western Europe worried deeply about the effects a rise in luxury spending would have on people and transitorily on a people. Whether luxury consumption corrupted private virtue or cultivated public taste, sank the nation into foreign debt or spurred the wheels of industry, effeminized and undermined the monarchy or maintained the social order depended in large part on one’s definition of what exactly luxury was or was not.62 But this dissertation is only incidentally concerned with the discursive meanings of luxury as a category in this period. Rather, it seeks to uncover the contextual shifts in production, distribution, and consumption that contemporary commentators were reacting to. What is at issue here is not so much what


observers thought about changing patterns of consumption and meanings of luxury, but the churnning tectonics that shaped patterns of consumption and meanings of luxury across this period.

Structurally, luxury goods offer a trenchant opening into the most important transformations affecting the early modern economy. First, as Berg and Kenneth Pomeranz have shown, one of the most important catalysts for luxury consumption in this period was the arrival of vast amounts of Asian manufactured goods imported by European East India Companies. This had two major impacts on the formation of luxury markets. On the one hand, the very fact that these goods were manufactured in East Asia, passed along by innumerable middlemen, transported around the world, and sold across Europe before being used and displayed in homes meant that the traditional links of trust between producer and consumer were stretched beyond their breaking point. Luxury goods travelled farther and faster than information. And it was as a hedge against this uncertainty that institutionalized expertise at the site of retail became essential. On the other hand, the importation of expensive goods in exchange for specie was anathema to the most basic interests of mercantilist political economy. And so European countries undertook an extensive process of import substitution industrialization in order to replace Asian imports with domestic products. Yet the transnational marketplace that had introduced those goods in the first place continued to exist. It was not enough to merely substitute imports with domestic products, the tide had to be reversed and new outlets for them conquered. This necessitated new institutions for information that could be introduced at the site of

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production and inhered into the products themselves as they moved beyond the borders and into foreign markets.

Second, the early modern period witnessed the rise of industrial production. By industrialization here is not meant the Industrial Revolution, which was extremely limited in geographical and sectoral extent at least into the nineteenth century. Instead, by industrialization is simply meant an increase in the absolute and relative amount of manufactured goods in the economy and the network of structural changes that made such growth possible. Although the development of an “advanced organic economy” in this period took place over a much longer period of time than heroic narratives of the Industrial Revolution once held, the structural upheaval it wrought was no less thorough as a result. In light of this new timeline of the industrialization process and revised data, the vision of France as laggard in economic development has given way to a more balanced view, one that denaturalizes the British path and instead notes the coexistence of a variety of viable capitalisms. Indeed, though output remained lower throughout the eighteenth century, French rates of growth in industrial output appear to have surpassed those of Britain by orders of magnitude. At least, until the Revolution. An important aspect of this reconceptualization of industrialization in the eighteenth century has been the application of material culture studies to the products of industry. What the resulting scholarship has found was that in an era before process innovation, it was product innovation that


accounted for much of industrial development. The desire to make and market goods reflected the importance of consumer demand in economic history and the powerful motivation of replacing imports with domestic products. It is here that the French example is especially instructive because its political economy evolved over this period to emphasize quality and taste in artisanal goods manufactured for an international market.

To succeed with a comparative advantage in luxury goods, France would have to develop and deploy the most extensive institutions through which consumers could learn to appreciate its products and pay an according premium.

Third, the luxury industry was central to these transformations because of the overwhelming level of inequality. Eighteenth-century Europe was a place scarred by deep poverty. Most people lived hand-to-mouth, scraping their survival directly from the land. Famine and plague had ceased to be the ubiquitous threats they had been a century or two earlier, and wars were largely limited to professional armies endlessly maneuvering between fortresses following the end of the Thirty Years War, but life for most of the population was still precarious and surplus income for extravagancies unimaginable. This was not an economy within which mass consumerism was possible. But in cities and salons, in ports and courts, wealth was increasingly making its presence felt. For Werner

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Nicholas O'Neill

Sombart, inequality of wealth and the new patterns of consumption it made possible meant that luxury production was the first to industrialize. It is within the luxury industry, therefore, that we can first discover the transition from commercial to industrial capitalism and the institutions that made it possible.

Analytically, luxury goods possess specific attributes that make them effective markers through which to analyze the role and development of consumer institutions. First, as Kyrk noted, what makes something a luxury is that it is on the cutting edge of demand. Far from the routinized consumption of staples and necessities that rational choice theorists point to as models of frictionless markets, a luxury is by definition an uncommon purchase, or at least one that has not yet become commonplace. As a result, consumers of luxuries need to rely more on outside sources of information to guide their purchases and are most susceptible to being cheated, and so it is here that institutions should be most evident. Second, this is not to consider luxury consumption superfluous. As Elias and Gell note, a luxury may be a necessity for one whose standing and position depend on possessing it; displaying that standing is an essential function of luxury goods, not an excess. Rather, luxury consumption brings into much sharper relief both the material qualities and symbolic meanings of the object. If luxury is a relative term, its meaning is relational to other available goods. As a result, minute differences in material and symbolic qualities between luxury goods gain greater salience, and as the social consequences of consumption heighten institutions to note and convey information about

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71 Elias, *Court Society*, 70; Gell, *Art and Agency* 74.
differences become more important. Finally, and relatedly, if luxury is at the cutting edge of consumption and if it is where small distinctions make big differences, the question of temporality emerges. By accelerating changes in the meanings of various goods, the fashion cycle (at whatever speed) makes it increasingly laborious for consumers to ride the wave of style while rendering knowledge of outdated fashions a sunk cost. As a result, it is in luxury industries that institutions to furnish consumers with up-to-date information would need to be at their most efficient.

This dissertation uses the French porcelain industry as the case study through which to examine the development of consumer-oriented institutions and their role in facilitating economic growth by reducing the transaction costs of consumption in the eighteenth century. Porcelain offers a particularly fruitful lens through which to understand these institutions because it crystalizes in sharpest relief the aspects of the early modern economy that make it unique as a period of growing industrialization and consumption. First, as recent historians of porcelain have been quick to point out, its history has been one of global connection and exchange. Porcelain has always been, in Robert Finlay’s words, the “pilgrim art.”73 Tracing the place of porcelain in society is impossible without recognizing its passage between societies and noting the transmission of cultural forms, production techniques, and ideas about consumption. In the early modern period, porcelain was a quintessentially global good. For early modern merchants, this raised the problem of how to transmit information about the object across so much

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space and between so many intermediaries of different languages and cultures. The chasm between producer and consumer here was so wide as to nearly sever the link entirely, so that European consumers would have to generate their own meanings and uses, and here the guidance of tastemakers would have become indispensable.  

For early modern manufacturers, this raised the inverse problem. The fact that porcelain began as a foreign import pushed policymakers to substitute it with domestic production. But in order to expand the industry they had to find new ways to reconnect producer and consumer in a transnational market in order to directly communicate the intended meaning and use of their product to them and thus ensure its value. In short, as Anne Gerritsen notes, porcelain offers a useful case study in this period because it forces us to pay attention to the interaction of the global and the local.

Second, as art historians have amply demonstrated, porcelain carried a particularly powerful social valence in this period in a variety of ways. As an object of display, its visual and physical design conveyed meaning about taste and the status of the owner. As an object of use, its material attributes contributed to interaction between people and material culture through ritual, location, and feel, often in conjunction with a range of other objects and commodities. As an object of gifting, it served to establish mutual social roles and build reciprocal relations between giver and recipient. And as an object of patronage, it


both embodied the prestige of its patron and reflected the magnified glory of its artistic, scientific, and industrial achievement back. Porcelain thus offers a prism through which a range of refracted social meanings, relations, and uses can be crystalized into a single object.\textsuperscript{78} Porcelain allows us to examine within it the way information about these meanings, relations, and uses were conveyed. It was, in part, the symbolic power of porcelain that made it a subject of intense interest for the absolutist state. As Suzanne Marchand has beautifully demonstrated, state involvement in porcelain production in the eighteenth century was intimately connected with the prestige of European monarchs as they jockeyed for status through courtly consumption. Harnessing a porcelain factory to absolutist ambitions converted porcelain into a vehicle for glory.\textsuperscript{79}

In contrast to Marchand’s depiction, however, this dissertation argues that absolutism and capitalism were inextricably intertwined. It takes porcelain first and foremost as a commodity. It is concerned primarily with the meanings and uses of porcelain for consumers as they were understood by manufacturers and retailers.\textsuperscript{80} In this sense, it is a history of how supply anticipated and engaged with demand more than a history of that demand in and of itself. At its core, this dissertation engages with porcelain as a commodity that was invented, designed, manufactured, and retailed for profit.\textsuperscript{81} In the tradition of Chandra Mukerji and Arjun Appadurai, it argues that realizing a profit


\textsuperscript{80} On this approach, see: Gianenrico Bernasconi, “L’objet comme document : Culture matérielle et cultures techniques,” \textit{Artefact. Techniques, histoire et sciences humaines} 4 (2016) 31–47.

necessitated that economic actors attend carefully to the meanings and materiality of their products and the way value is generated between commodity and consumer.  

This dissertation tells the story of how institutions through which information was communicated and value negotiated throughout the circuit of production and consumption were developed in the eighteenth century. Porcelain is well suited for this purpose not because it was representative, but because it was exceptional. Porcelain was one of the most heavily traded items in the global market of the early modern period. It comprised the single largest asset for elite wholesalers and retailers. It attracted the biggest sustained royal investments of any consumer industry. And its manufactories with several hundred workers engaged in an extensive division of labor were decades ahead of their time during an era of handcraft artisanry. In absolute terms, porcelain's impact on the broader economy was limited. But the porcelain industry was so concentrated and its potential for creating value so great that it distills and magnifies the functioning of the institutions that shaped how consumers decided what to buy and what to pay.

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