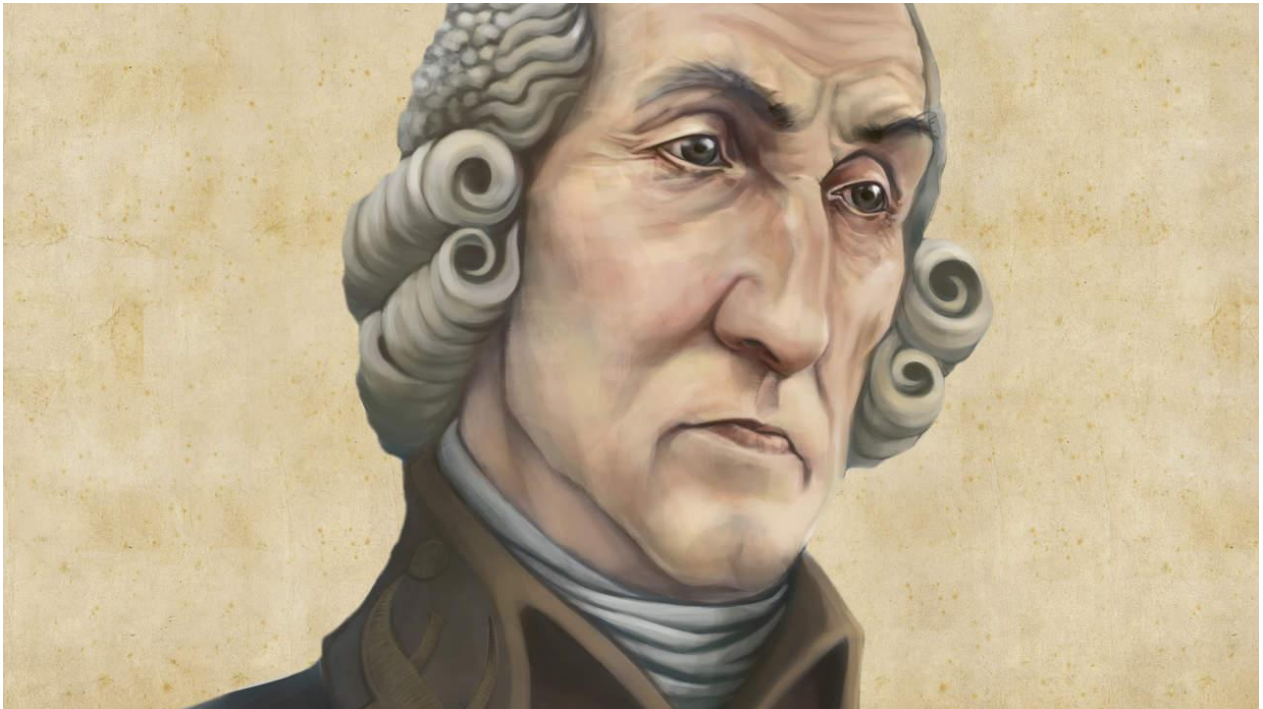


Adam Smith: The Father Of Economics [B2]

Quasi 250 anni fa questo intellettuale scozzese pubblicò un libro di economia che influenzò le idee di tanti altri pensatori, tra cui David Ricardo, Karl Marx, John Maynard Keynes e Milton Friedman. Smith fu una delle menti più brillanti dell'illuminismo scozzese.



The 18th century Scottish political economist and philosopher Adam Smith was responsible for one of the most famous books on economics in the world, *The Wealth of Nations*. His work [laid the foundations](#) of classical free market economic theory, for which he was called the “Father of Economics”. He was also a key figure in the Scottish Enlightenment, the intellectual movement that lasted for almost a hundred years from around 1730.

A BRILLIANT INTELLECTUAL

Smith's exact date of birth is not known, but he was baptised on June 5, 1723. Aged seventeen, he won a [scholarship](#) to study at Oxford University. He was soon internationally well-known. People even came from Russia to hear him speak. In his sixth year he developed [shaking fits](#), probably symptoms of a [nervous breakdown](#).

“Labour was the original purchase-money that was paid for all things. It was not by gold or by silver, but by labour.”

In 1751 he was made professor of logic at Glasgow University and then, one year later, professor of moral philosophy. Smith became part of a brilliant circle of intellectuals, including David Hume, John Home, Lord Hailes and William Robertson.

FIRST WORK

In 1759, he published *The Theory of Moral Sentiments*, in which he proposed the idea of an “invisible hand”. This was the tendency of free markets to regulate themselves using competition, supply and demand, and people’s self-interest. In 1766, Smith moved to London, where his intellectual circle included writers Samuel Johnson and Edward Gibbon, and philosopher and economist Edmund Burke. After returning to Scotland, he published the first volume of his theory of society, called Inquiry into the Nature and Causes of the Wealth of Nations, in 1776. This was the world’s first major work of political economy.

SMITH’S IDEAS

In this highly influential work, Smith commented on the evolution from land-based wealth to wealth created by assembly-line production methods. His ideas also provided the genesis for the concept of gross domestic product and transformed the importing and exporting business. Smith thought that countries should be evaluated based on their levels of production and commerce, rather than the value of their gold and silver deposits. Trade between European countries increased significantly after the book’s publication.

THE FATHER OF CAPITALISM

Smith is called the “father of capitalism”, but he never actually used the term ‘capitalism’, but rather ‘commercial society’. ‘Capitalism’ only came into

general use a hundred years after his death, in 1790. We know very little about Smith the person. He never married. Much of his personal papers were destroyed after his death, which was normal at that time. Only one [portrait](#) survives, a profile medallion. He once said “I am a beau in nothing but my books” — he had a library of three thousand volumes! We know from friends’ comments that he sometimes [stumbled over words](#), had a strange walk, and was very [absent-minded](#).

Glossary

- **assembly-line** = catena di montaggio
- **stumbled over words** = balbettare
- **shaking fits** = tremori
- **supply and demand** = offerta e domanda
- **Inquiry** = ricerca
- **gross domestic product** = prodotto interno lordo
- **but rather** = ma
- **portrait** = ritratto
- **absent-minded** = sbadato
- **laid the foundations** = stabilire le basi
- **scholarship** = borsa di studio
- **nervous breakdown** = esaurimento nervoso