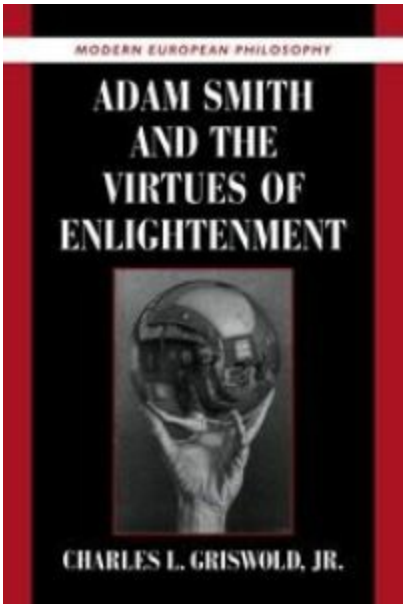

Book Adam Smith and the Virtues of Enlightenment

Charles L. Griswold Jr.
Cambridge UP, 1999

Recommendation

Put on your scuba gear - we're diving down deep. Even though Charles L. Griswold, Jr. writes in a dense, academic style, it is worth swimming through his prose to learn about the remarkable work of 18th-century Enlightenment philosopher Adam Smith. Regarded as one of the fathers of modern economic thought, Smith has been misunderstood for the last century because his ethical philosophy has been overlooked. Instead, economists have drawn attention only to his thumbs-up for free enterprise and free trade. Smith believed neither was worthwhile without ethics, a point some modern economists might profitably revisit. *BooksInShort* highly recommends this richly detailed, insightful book to anyone interested in economic, political, or social philosophy.

Take-Aways

- Adam Smith (1723-1790) was a Scottish philosopher and economist widely regarded as the founder of political economy.
- He wrote The Theory of Moral Sentiments (1759) and The Wealth of Nations (1776).
- He was a key figure in the Enlightenment period, but his economic theory unfortunately overshadows his equally important work in ethics, morality, intellectual history, and other areas.
- He advocated free enterprise and free trade, but did not support imperialism, colonialism, or slavery.
- Smith defined morality as total justice, freedom, and equality for all people.
- Sympathy is the basis of his moral vision.
- He also believed: Virtue is not founded upon philosophical knowledge, but on sentiment, passion and emotion.
- The world we inhabit can be enlightened if we make the necessary changes.
- Imagination is fundamental to understanding the world.
- The pursuit of wealth and, ironically, wealth itself, do not lead to happiness.

Summary

Adam Smith: Economist and Philosopher

Adam Smith (1723-1790) was a Scottish philosopher and economist widely regarded as the founder of political economy. In his book, The Wealth of Nations, published in 1776, he defined the wealth of a nation in terms of its labor. He said wealth comes from a division of labor in which a production process is divided into many repetitive segments, each performed by different workers. He advocated individual free enterprise and free trade.

> "Perhaps no philosopher, with the possible exception of Marx, has described these human costs of the division of labor more bluntly and harshly than has Adam Smith."

Due to his first book, The Theory of Moral Sentiments, published in 1759, Smith was a key figure in the Scottish Enlightenment, and had ties to both the French and the American Enlightenments. The book, translated into both German and French, was so popular it went through six English editions in Smith's lifetime. It brought him the utmost respect and praise from fellow philosophers David Hume, Edmund Burke, Immanuel Kant, and scores of others.

> "In Adam Smith's terms, morality requires that we be able to see things from the other person's point of view. Sympathy is crucial to his moral system, just as it is a key term in our moral vocabulary."

Unfortunately, modern scholars are so caught up in Smith's considerable contribution to economic and political thought as presented in The Wealth of Nations, that they overlook the importance of his contributions in ethics, moral psychology, jurisprudence, rhetoric, and belles lettres, as well as political, economic, and intellectual history. Today Smith's name is widely known and cited in support of certain economic and political programs, but his teachings are rarely studied with care by those enlisting him in their cause. He is seen solely as an economist, even as only an economist of a particular ideological bent. This all but ignores the totality of his economic and political philosophy. In short, he tends now to be known just as an advocate of crude laissez-faire capitalism and, to add insult to injury, of a capitalism inseparable from imperialism and colonialism.

> "Misinterpretations of Adam Smith are striking."

Given the scope of his work, his focus on political economy, not just economics alone, his insistent moral reservations about the unfettered operation of the free market, and his critique of various forms of oppression - including slavery - these misinterpretations of Smith are striking. Just as importantly, these misinterpretations cloud the fact that Smith was first and foremost a philosopher, educated in philosophy by a great philosopher (Francis Hutcheson), close friend of one of the best philosophers in the history of Western thought (David Hume), and widely read and admired by philosophers. Modern-day economists have put a spin on Adam Smith's work and co-opted it to suit their own purposes.

Smith's Basic Themes

Smith promulgated many of the Enlightenment's great themes, which inspire the modern age. He "seeks to free us from war and faction," a key feature of his more enlightened philosophies. We in the modern age have much to learn from his work in this area: the 20th-century was filled with catastrophic collapses of moral sensibility and the corresponding butchery. [And, so far, the twenty-first century isn't looking all that enlightened, either.]

> "Adam Smith tackles head on this ancient problem of the relation between wealth and virtue."

Smith's focus on moral sensibility is very valuable today. But, don't misinterpret his views based solely on his use of the word "moral." He used it without the puritanical spin found in U.S. political usage - in particular, the religious right's appropriation of the term to serve its own political agenda. One of Adam Smith's major focal points, in fact, is to free us from repressive institutions, especially religious institutions. He thought that religious institutions control people via the use of superstition, and viewed religious strife and oppression as a political problem. Smith's moral, political, and economic doctrines are geared toward explaining how individuals as well as nations can live together harmoniously in spite of the ever-present potential for conflict. Adam Smith was an advocate of the freedom to believe in and practice any faith or religion one chose, but he also had a disdain for theology and some of its associated disciplines that addressed the soul or spirit. He believed that people could understand everything, including human nature, by relying on enlightened intelligence and science, not spirituality or "the poison of enthusiasm and superstition."

> "It is Adam Smith's legacy, in part, that we now enjoy as well as question. He was a key figure in the Scottish Enlightenment and tied to the French Enlightenment. These Enlightenments are crucial chapters in the story of modernity.

> Smith's standing and influence were established early on."

Smith and other Enlightenment philosophers believed that mastering nature was life's goal. Science and human reason were thought to be all one needed to do anything and everything, including understanding and controlling nature and the universe. All metaphysical, spiritual, or religious beliefs concerning nature were deemed suspect at best and superstitious at worst.

> "Today Smith's name is widely known and ceremonially cited in support of certain economic and political programs, but his teachings are rarely studied with care by those enlisting him in their cause."

The core of Enlightenment rhetoric was a deep ethical commitment to independence, self-sufficiency, and courage, and to freedom from the shackles of custom, nature, and fortune. This desire for freedom led these philosophers to believe that they could even be free of the effects of nature if only they could reason well enough and use science to control natural forces. Kant believed that people are not truly "mature" until they are autonomous, self-directed, and self-legislating. Only through thorough self-examination could one achieve enlightenment. Hume believed that this self-examination would be done by means of a "science of man," that is, based on experience. Kant thought it would come through "transcendental critiques of the possibility of knowledge and morality." Hegel believed it relied on an "elaborately dialectical account of the social and historical conditions that make human activity possible." All of the philosophers of this era, Smith included, believed that nothing is to be accepted simply because it has been accepted.

> "With the support of proper moral education, rearing, and institutions, Smith argues, we form the habit of understanding other people's situations accurately and of seeing things from their point of view."

In short, nothing could be taken at face value; everything should be examined thoroughly. Because of this strong underpinning, this period was also called "The Age of Philosophy," and Thomas Paine entitled one of his books The Age of Reason.

Freedom and Morality

Total freedom for absolutely everyone was the goal, the ultimate moral and political ideal carried by the Enlightenment philosophers. This view is intertwined with a commitment to a doctrine of the basic moral equality of human beings. Smith was a proponent of what he called "the obvious and simple system of natural liberty." He believed that part of his task was to give voice to the principles of the "establishment of perfect justice, of perfect liberty, and of perfect equality." That is how he defined morality: justice, liberty, and equality. Conscience must rule the emotions. Without that rule, how could there be freedom and equality for all? Here, Smith was adamant.

> "Because of his own keen awareness of the ironies and shadows of the Enlightenment, Smith is in a position to offer us valuable insights into the reasons why liberal Enlightenment social and institutional arrangements and ideals are not altogether at odds with the tradition of the virtues and of the communities based on virtues."

In The Wealth of Nations, Smith shows that commerce can liberate workers by "developing a distinction between labor and service, work and subservience." Smith's focus on sympathy, central to all his beliefs, reflects his moral vision. In The Theory of Moral Sentiments, Smith seeks to show that the sentiments (which he also calls "passions" or "emotions") can "suffice for morality, virtue, liberty, and in general for a harmonious social order."

> "From early on, Smith evinced a deep interest in the evolution, typology, and classification of language, as well as the processes by which words come to be detached from their natural context and so acquire a 'technical' philosophical or 'metaphysical' meaning."

Acknowledging that humans are creatures of their passions, Smith tries to understand and justify the passions as a basis for decent ethical life. He doesn't write that the passions exclude reason, but says they can "displace theoretical pursuits," including philosophy itself. This split between theory and practice can be found throughout Smith's work and the work of other Enlightenment philosophers. They do not believe that virtue is founded upon philosophical knowledge, but rather on sentiment/passion/emotion. These emotions create everything people must deal with. Theory is just theory: but, emotion creates the events and feelings that we react to each day and that we use as the basis for our decisions and actions. That's what practice is, after all, the taking of action.

> "Smith draws us in partly by means of his remarkable use of examples. We are asked over and over again to consider

this or that situation and this or that reaction to a situation and to draw the appropriate moral."

"The architects of the modern Enlightenment inferred that what has been made can be unmade, if only we gather the necessary courage," Smith argued. He stressed that enlightenment does not have to come from the outside. The world we inhabit can itself be enlightened, if we make the necessary changes. The imagination is fundamental to understanding the world and to practical reasoning. In Smith's work, morality requires that we be able to see things from the other person's point of view. That forms the basis of the sympathy crucial to Smith's moral system. Emotions are shaped by imagination and sympathy is one act of imagination. The idea of the desirable and praiseworthy, and hence this or that particular sentiment is derived from sympathy. Imagination, then, is essential to morality and reason. Therefore, we are driven by imagination as much as by passion, said Smith, and other Enlightenment philosophers concurred.

Counter-Enlightenment

As much as Adam Smith was a creature of the Enlightenment, he also took on issues associated with the denouement of the Enlightenment. While Enlightenment philosophy stresses self-control as the path to freedom, Smith is also acutely aware of the phenomenon of unintended consequences, of the importance of 'moral luck,' and of the roles that contingency and finitude play in human life. The "invisible hand" is the phrase most commonly associated with Smith. To put it in today's vernacular, Smith knew and accepted that "stuff happens." He believed that people "are like actors in a play whose plot we do not understand and whose ending is not yet revealed to us, but whose propensity for irony is well established." The paradoxes and ironies of life are just part of life. Smith doesn't dismiss them; he embraces them.

The Wealth of Nations facilitates and promotes the pursuit of wealth, and that book is undoubtedly the most famous and enduring Enlightenment contribution on the subject. Yet, Smith also believes that the wealth we pursue has little to do with satisfying any of our basic needs, and that we are driven in large measure by fears and wants that are fed by the imagination. This has been the complaint of moralists of every age, Smith among them. One of his key teachings says that the pursuit of wealth is actually made possible by what he calls the "deception" or "prejudices" of the imagination. Thanks to our self-deception, we associate wealth (as well as power) with happiness or tranquility.

Of course, neither the pursuit nor the possession of wealth ever produces tranquility. On the contrary, both highly jeopardize it. Smith digs into this irony with gusto, leaving everyone to wonder: "How can we affirm a social arrangement devoted to maximizing the 'wealth of nations' when the pursuit of wealth is so deeply misguided?" Smith argues that our material prosperity is directly tied to our spiritual poverty and that the pursuit of wealth is often achieved at the cost of our virtue. Smith refers to this as "the corruption of the moral sentiments," and sees it as a natural danger inherent in the very commercial society he advocates. Among the vices Smith associates with the promotion of material well being are greed, dishonesty, a willingness to exploit others, and vanity. People will do some pretty bad things in order to "better" their condition. He tackles head-on the ancient problem of the unsettling relation between wealth and virtue.

Conclusion

This problem is still with us. In modern times, Adam Smith has greater influence as a political economist than as a moral and social philosopher. Ironically, he has been very poorly understood as a political economist, though that is the source of his current renown. This signals well-known difficulties concerning the possible role of philosophy in public life. Any group of people with an agenda can point to parts of a philosopher's work, take those parts out of context, and make them a rallying cry for their agenda. This has happened with Smith's work, although it deserves closer attention in this modern age, to instruct today's society and to dispel the myths about who he was and what he believed.

About the Author

Charles L. Griswold, Jr. is a professor of philosophy at Boston University. He has published in a variety of fields, including ancient philosophy, the Scottish Enlightenment, and German idealism.