

Statement of Intended Research

Adam Smith's two works, *The Theory of Moral Sentiments* (1759, *TMS*) and *An Inquiry into the Nature and Causes of the Wealth of Nations* (1776, *WN*), are seemingly inconsistent. The first sentence of *TMS* reads 'How selfish soever man be supposed, there are evidently some principles in his nature, which interest him in the fortune of others, and render their happiness necessary to him, though he derives nothing from it except the pleasure of seeing it'.¹ This sets up sympathy—the pleasure gained from a concord of emotions of agent and spectator—as the prime motivator of action. However, in *WN*, Smith declares: 'It is not from the benevolence of the butcher, the brewer, or the baker, that we expect our dinner, but from their regard to their own interest'.² This apparent inconsistency is known as the 'Adam Smith Problem' (ASP). Since it represents the intersection of moral philosopher and political economist, it deserves further investigation.

Smith must not have thought his works contradictory as he worked on subsequent editions of both concurrently; nevertheless, the ASP is subject to much historiographical debate. In the early- to mid-nineteenth-century, Smith was considered an accomplished political economist, but his incoherence made him a second-rate philosopher.³ Later that century, Smith's philosophy was rediscovered and the problem was solved by referring to the narrower scope of *WN*; this account has prevailed.⁴ Linked to this is the 'spheres of intimacy' explanation: in *TMS*, Smith acknowledged people care more about themselves and their families than strangers. As economic activity mostly occurs between strangers, *TMS* allows for self-interested motives.⁵ This assumption, however, neglects Smith's embrace of virtue in *TMS* and disregards that much economic activity occurs between acquaintances.⁶ Alternatively, Istvan Hont declared that for Smith's contemporaries 'there

¹ Smith 2002, p.11.

² Smith 1976a, pp.26-27.

³ Otteson 2000, p.51; Reid 1997.

⁴ Rae 1895; Wagner-Tsukamoto 2013.

⁵ Nieli 1986.

⁶ See Otteson 2000.

was no “Adam Smith problem”...*The Theory of Moral Sentiments*, they realized, was instead cut from the same “selfish” cloth as *The Wealth of Nations*.⁷ This caricature of Smith as a proponent of the selfish system must be challenged and, considering his critique of Mandeville, seems ungrounded.⁸ This nineteenth-century problem remains unresolved and since any ‘solution’ to the ASP will transform interpretations of Smith, it must be reconsidered. However, we should be wary of attributing a sweeping solution that supposedly fully connects *TMS* and *WN*, as this may create coherence where there is none.⁹

Perhaps a more cautious thematic approach, considering three areas used to underscore the ASP, is more fruitful. Firstly, the aforementioned different accounts of human nature. Secondly, Smith’s treatment of religion, which leans toward deism in *TMS* but strikes an atheistic tone in *WN*. Thirdly, the divergent ideas of liberty, with *TMS* promoting positive liberty, whilst *WN*’s account is more in line with Hobbesian negative liberty.¹⁰ By scrutinising each and finding connections, we may not ‘solve’ the ASP, but we would be in a stronger position to see Smith’s thought in its colourful variety.

I intend to divide the dissertation into four chapters. Section one will focus on the book history of *TMS* and *WN* and will attempt to uncover the eighteenth-century relationship between moral philosophy and political economy. This section will also situate Smith’s intervention in the socio-economic, political and philosophical context that provides the foundation to analyse and interpret his ideas.

⁷ Hont 2015, p.28.

⁸ Smith 2002, pp.361-370.

⁹ Skinner 2002, p.67.

¹⁰ Fleischacker 1999.

Chapter two will discuss Smith's account of incentives in *TMS* and *WN* and contextualise his intervention within the eighteenth-century selfishness debate by discussing Bernard Mandeville and Francis Hutcheson's opposing views of human nature, noting Smith's interesting position between the two. Mandeville argued that 'private vices are public benefits' and Smith echoed his argument when he introduces the 'invisible hand' in *WN*, while also sharply criticising Mandeville in *TMS*.¹¹ How can this contrast be resolved? How can Smith's economic ideas of motivations be reconciled with his moralist embrace of virtue?

Section three will discuss Smith's treatment of religion in *TMS* and *WN*. Again, one must consider the context: David Hume's rejection of religion, the Freethinkers' deism and Hutcheson's embrace of religion will inform the analysis of Smith. The contrast between *TMS* and *WN* is stark, with *TMS* including a lengthy passage on the 'natural principles of religion', whilst *WN* strikes a more atheistic tone, strongly criticising the Church. Nevertheless, by carefully using *TMS* to inform *WN*, one can uncover a well-thought-out social theory of religion. Instead of rejecting religion, Smith made it central to combating alienation and allowing people to realise their freedom.¹²

Section four will consider the different forms of liberty Smith seems to promote, positive liberty in *TMS* and negative liberty in *WN*. In *TMS*, Smith argues someone is free when they can exert self-command and act virtuously.¹³ In *WN*, his 'natural system of liberty' exists when everyone can follow their self-interest within the bounds of justice.¹⁴ This tension questions into which discourse we should place Smith: did he promote Hobbesian liberty or Republican freedom?

¹¹ Mandeville 1997; Hutcheson 2015; Smith 2002, pp.354-370.

¹² Minowitz 1993; Long 2009.

¹³ Harpham 2000, p.229.

¹⁴ Smith 1976b, p.687.

This dissertation aims to shed light on three crucial themes that are often associated with the ASP. Unfortunately, Smith gave orders to burn most his unpublished writings days before his death in 1790 and sadly never finished his long-awaited work on government that he had announced in the advertisement of *TMS*'s first edition.¹⁵ The main sources available are *TMS*, *WN*, the *Essays on Philosophical Subjects* (1795) and the *Lectures on Jurisprudence*. Important secondary literature includes publications by Hont, Peter Minowitz, James Otteson, and Samuel Fleischacker. Through engaging with primary and secondary literature, this dissertation will grapple with wide-reaching questions: How can the different accounts be reconciled? If they cannot be, what does this say about Smith and our understanding of him? What does it say about Smith's admiration of systems if his own is unclear? What are the methodological consequences of imposing our wish for coherence on thinkers?

¹⁵ Smith 2002, pp.3-4.

Bibliography

- Fleischacker, S. (1999): *A Third Concept of Liberty: Judgement and Freedom in Kant and Adam Smith* (Princeton: Princeton University Press).
- Harpham, E.J. (2000): 'The Problem of Liberty in the Thought of Adam Smith', in *Journal of Economic Thought*, 22 (2), pp.217-237.
- Hont, I. (2015): *Politics in Commercial Society*, eds. B. Kaposy and M. Sonenscher (Cambridge: Harvard University Press).
- Hutcheson, F. (2015): *An Inquiry into the Original of Our Ideas of Beauty and Virtue* (London: Liberty Fund Inc.).
- Long, B. (2009): 'Adam Smith's theism', in *Elgar Companion to Adam Smith*, ed. J.T. Young (Cheltenham: Edward Elgar Publishing Limited), pp.73-99.
- Mandeville, B. (1997): 'An Enquiry into the Origin of Moral Virtue', in *The Fable of the Bees and Other Writings*, ed. E.J. Hundert (Indianapolis: Hackett), pp.36-45.
- Minowitz, P. (1993): *Profits, Priests, and Princes: Adam Smith's Emancipation of Economics from Politics and Religion* (Stanford: Stanford University Press).
- Nieli, R. (1986): 'Spheres of Intimacy and the Adam Smith Problem', in *Journal of the History of Ideas*, 47 (4), pp.611-624.
- Otteson, J.R. (2000): 'The Recurring "Adam Smith Problem"', in *History of Philosophy Quarterly*, 17 (1), pp.51-74.
- Rae, J. (1895): *The Life of Adam Smith* (London: Macmillan).
- Reid, T. (1997): 'A Sketch of Dr. Smith's Theory of Morals', in *On Moral Sentiments: Contemporary Responses to Adam Smith*, ed. J. Reeder (Bristol: Thoemmes Press), pp. 69--88.
- Skinner, Q. (2002): 'Meaning and Understanding in the History of Ideas', in *Visions of Politics, Volume I: Regarding Method* (Cambridge: Cambridge University Press), pp.57-89.

- Smith, A. (1976a): *An Inquiry into the Nature and Causes of the Wealth of Nations, Volume I: The Glasgow Edition of the Works and Correspondence of Adam Smith, Volume II*, eds. R.H. Campbell, A.S. Skinner and W.B. Todd (Oxford: Oxford University Press).
- Smith, A. (1976b): *An Inquiry into the Nature and Causes of the Wealth of Nations, Volume II: The Glasgow Edition of the Works and Correspondence of Adam Smith, Volume II*, eds. R.H. Campbell, A.S. Skinner and W.B. Todd (Oxford: Oxford University Press).
- Smith, A. (2002): *The Theory of Moral Sentiments*, ed. K. Haakonssen (Cambridge: Cambridge University Press).
- Wagner-Tsukamoto, S. (2013): 'The Adam Smith Problem Revisited: A Methodological Resolution', in *JEEH*, 19 (1), pp.63-99.