KNUD HAAKONSSEN

Introduction
The Coherence of Smith's Thought[1]

1. SMITH'S LIFE

While Adam Smith is a household name as an economist, his political economy was only part of a comprehensive philosophical system centering on the nature of human action in general. The subsequent essays analyze the main parts of Smith's system; in this introduction, I attempt a synoptic view of the coherence of that system. As we will see, Smith's systematic achievement can be understood as a bold undermining of an ancient dispute between Stoics and Epicureans, which had been revived in early modern philosophy. This is not surprising when we look at the matter from the point of view of Smith's life.[2] After schooling in his native Kirkcaldy, Smith went to the University of Glasgow (1737–40), where the main influence on him was Francis Hutcheson, who was one of the main representatives in the English-speaking world of Christianized Stoicism. However, in his twenties when he was a freelance public lecturer in Edinburgh (1748–50), Smith formed the most important friendship of his life with David Hume, the most sophisticated heir to a mixed Epicurean and sceptical tradition.[3]

[1] Much of this chapter derives from my Introduction, in Adam Smith, *The Theory of Moral Sentiments*, ed. K. Haakonssen (Cambridge, 2002).

[2] For comprehensive biographies, see John Rae, *Life of Adam Smith* (1895), with Introduction by Jacob Viner (New York, NY, 1965); Ian S. Ross, *The Life of Adam Smith* (Oxford, 1995); and Donald Winch, "Adam Smith," in *The Oxford Dictionary of National Biography* (Oxford, 2004).

[3] Concerning Stoicism, see Leonidas Montes, *Adam Smith in Context. A Critical Reassessment of Some Central Components in His Thought* (Houndmills, Basingstoke, Hampshire, 2004), chapter 3; James Moore, "Unity and Humanity: The Quest for the *Honestum* in Cicero, Hutcheson, and Hume," *Utilitas* 14 (2002):

What is more, while he was a student at Balliol College, Oxford, from 1740 to 1746, Smith seems to have immersed himself in this intellectual confrontation by extensive studies in recent French literature and criticism, where such disputes were prominent. In view of such a mixed background, which presumably has found expression in his Edinburgh lectures, it is hardly surprising that Hutcheson's former students received Smith less than enthusiastically when the latter took up his former teacher's professorship at Glasgow. Smith taught at Glasgow from 1751 to 1764, and was succeeded by the Common Sense philosopher Thomas Reid who was an important critic of both Smith and Hume.[4] The most distinguished student of Smith's, from an intellectual point of view, was John Millar who, as professor of law in the same university, developed Smith's analysis of social authority and law.[5]

Smith resigned his professorship to accept a lucrative position as travelling tutor for a nobleman's son, a common career move by intellectuals at the time. This entailed a few years of travel, mainly in France, where he made valuable connections with many of the leading philosophers and social thinkers, including Voltaire and physiocrats such as Quesnay and Turgot. The latter acquaintances obviously stimulated Smith in the major work in which he was already engaged. This was a development of the lectures on political economy that had formed part of this teaching in Glasgow into a comprehensive study of the modern economic system seen in the light of a new history of civil society. The tutorship carried with it a life pension, and after his return to Britain, in 1766, Smith could work undisturbed as a private scholar first at his home in Kirkcaldy and then in London while finishing his huge project. *The Wealth of*

365–86; Gloria Vivenza, *Adam Smith and the Classics. The Classical Heritage in Adam Smith's Thought* (Oxford, 2001).

4 See Reid's manuscripts printed in J. C. Stewart-Robertson and David F. Norton, "Thomas Reid on Adam Smith's Theory of Morals," *Journal of the History of Ideas* 41 (1980): 381–98, and 45 (1984): 309–21.

5 See especially John Millar, *The Origin of the Distinction of Ranks; Or, An Inquiry into the Circumstances Which Give Rise to Influence and Authority in the Different Members of Society* (4th ed., 1806), ed. Aaron Garrett (Indianapolis, IN, 2006); K. Haakonssen, *Natural Law and Moral Philosophy: From Grotius to the Scottish Enlightenment* (Cambridge, 1996), chapter 5; John Cairns, "'Famous as a School for Law . . . as Edinburgh for Medicine': The Glasgow Law School, 1761–1801," in *The Glasgow Enlightenment*, eds. A. Hook and R. Sher (East Linton, 1995), 133–59.

Nations appeared in 1776, and it soon overshadowed Smith's name as a moral philosopher; from then on, he was the great political economist. He advised governments on such matters as trade and taxation; wrote a memorandum for the Solicitor-General on the conflict with America, recommending separation for the colonies (1778; in Corr.); and advised the government in favour of a union with Ireland (1779). He also took public office, namely as commissioner for customs in Edinburgh (1778), a well-paid position that he diligently filled for the rest of his life. At the same time, Smith had become a famous man of letters. He was a leading figure in the flourishing intellectual culture that we now call the Scottish Enlightenment, for example, as a founding fellow of the Royal Society of Edinburgh (1787); he was well connected in literary circles in London; and, although he never went abroad again, he retained good contacts in Paris.

The basis for this fame was *The Theory of Moral Sentiments* and *The Wealth of Nations*, for apart from a few smaller pieces, Smith published nothing else in his lifetime.[6] He did, however, write a good deal. First, he revised his books for new editions. The moral philosophy had six editions during Smith's life. Of these, the second (1761) was significant, containing, among other things, replies to criticism from David Hume, and the last edition was a major recasting of the work. The interpretation of Smith's revisions is a complex and open question. Here we may mention just one point, namely that the tone of Smith's treatment of the role of religion in morality becomes distinctly cooler and more sceptical in the late edition. He was widely taken to be of dubious religiosity, partly because of his association with Hume, but especially because of the warm endorsement of Hume's moral character, which Smith published soon after his great friend's death.

Smith devoted similar care to his *Wealth of Nations*, revising it repeatedly for the five lifetime editions, of which the third (1785) was particularly significant. However, he also undertook new projects. One was a "sort of theory and history of law and government," which he kept announcing in the preface to all editions

[6] Two articles in the first *Edinburgh Review* (1755), on Samuel Johnson's *Dictionary*, on the French *Encyclopédie*, and on Rousseau's *Second Discourse* (in EPS); and "Considerations concerning the First Formation of Languages" (1761).

of *The Theory of Moral Sentiments*. Another was "a sort of Philosophical History of all the different branches of Literature, of Philosophy, Poetry and Eloquence" (Corr., p. 287). It was presumably drafts of these works that took up most of the sixteen manuscript volumes which Smith got his close friends, the chemist Joseph Black and the geologist James Hutton, to burn a few days before his death. The former project was undoubtedly a development of the lectures on jurisprudence, part of which Smith had realized in *The Wealth of Nations*; the latter was obviously related to the early *Essays on Philosophical Subjects*, published posthumously in 1795 by Black and Hutton, and to the Glasgow lectures on rhetoric and belles lettres. Both these and the jurisprudence lectures are known to us from students' reports on them (LRBL and LJ), but in the absence of Smith's own words, the overall coherence of his work remains a controversial matter of reconstruction.

Such reconstruction of a fuller image of Smith has been a task for scholarship, especially in the last generation, whereas the popular view of Smith has been that of the father of political economy. *The Theory of Moral Sentiments* did, however, have an independent legacy, although one that is ill charted. These matters are addressed in the concluding chapter of the present volume.

2. THE NATURE OF SMITH'S MORAL THEORY

For Smith, the most basic task of moral philosophy is one of explanation; it is to provide an understanding of those forms of behaviour that are traditionally called moral. Like his close friend and mentor, David Hume, Smith saw moral philosophy as central to a new science of human nature. To this purpose, Smith analyzed those features of the human mind and those modes of interaction between several minds which gave rise to moral practices in the human species. Furthermore, he traced the different patterns which these practices assumed in response to different social, economic, and political circumstances. He believed this procedure enabled him to say something about which features of morality appeared to be universal to humanity and which appeared more or less historically variable. The universality in question was entirely a matter of empirically observable generality; Smith was suggesting that without certain elementary and quite general features we would

not be able to recognize an existence as a *human* life. Smith was, in other words, not interested in any metaphysics of morals.

Generally, Smith analyzed our moral practices in terms of the qualities of human agency, or character, but, as we will see, he also found ways of accounting for our tendency to follow rules and our inclination to give moral weight to the consequences of actions. This comprehensiveness has made Smith's theory an appealing reference point for quite different schools in modern ethics, despite the fact that he did not raise the questions of a validating foundation for morality which have been dominant since Immanuel Kant and John Stuart Mill.

Morality was, in Smith's eyes, to be approached as a matter of fact about the human species' history, but this does not mean that there is *no* normative significance to his theory. It is just a very indirect normativity. For one thing, as a natural historian of humanity, Smith sees it as his task to detail how facts guide our actions by setting limits to what we can do, and among the facts about humanity which it would be futile to ignore are such things as the constant presence of both egoistic and altruistic attitudes or the claim to some degree of individual integrity. For another thing, as a humanist, Smith obviously believed his students and readers would gain insight into their moral potential through his portraits of the complexity, even contradictions, of moral lives and moral judgments. Somewhat like a novelist, he presents a wide variety of moral characters who often judge each other but who are rarely judged directly by the author, except in his capacity as a representative of "common opinion." For the rest, judgment is up to the reader.

Smith came to the conclusion that there was a great dividing line running through human morality in nearly all the forms of it that were recorded in history. This division was between the "negative" virtue of justice, which concerned abstinence from injury, and the "positive" virtues such as benevolence or prudence, which concerned the promotion of good for others or for oneself. The indirect normativity of Smith's theory is very different for these two categories of moral virtue. No recognizably human life can be without either type of virtue, but what we can say about each in general terms and, hence, what kind of guidance such accounts can yield differs significantly between the two. Because of the individuality and, not least, the uncertainty of human life, it is impossible to

formulate a universal idea of the highest good or the good life. As a consequence, the virtues that promote the goods of life can be characterized only in general terms and, across cultural and historical divides, this may amount to little more than family resemblance.

In contrast, injury is considered an evil in any type of life, and this lends a certain universality to the virtue of abstaining from injurious behaviour (i.e., the virtue of justice) because we have the ability to recognize what is harmful to another, even when we know little or nothing about that person. In other words, the action-guiding power of the positive virtues – outside our intimate life – is much more uncertain than that of the negative virtue of justice, and only the latter is so rulebound that it can be the subject of systematic treatment, namely the "science of jurisprudence." Attempts to extend such system to the positive virtues are harshly rejected by Smith as "mere casuistry," a broad category that undoubtedly was meant to include a great deal of traditional moralizing literature and not just theological casuistry.

The precision of justice that enables it to be the basis for law does, however, come at a cost. The feature of justice that makes it so important in human life is its ability to regulate behaviour between entire strangers who do not know anything about each other except that they are capable, as we all are, of injury and of being injured. However, what *counts* as injury is not a universal matter, it varies dramatically from one type of society to another. True, Smith acknowledges that every known society recognizes violence to the body, denials of personhood, and prevention of access to the surrounding world as injuries, and he is ready to recognize claims against such behaviour as "natural rights." However, his many tales of different cultures indicate that not even bodily integrity or standing as a moral agent were universal concepts and, most important, the nexus between the individual and the environment was subject to variations. There were moral facts, such as private property in land, which guided people in their social intercourse in one type of society but which were simply unknown and hence irrelevant to behaviour in other societies. Smith's "natural jurisprudence" was, therefore, very much a historical jurisprudence; you would have to know what society you were talking about if your specification of rights and duties were to be of any use. This was a cornerstone in his history of civil society, as we will see.

While jurisprudence has its foundations in ethics, it is, in other words, a separate discipline (see Chapter 8).[7] Smith planned to deal with this in a sequel to *The Theory of Moral Sentiments*, as he explained in the Preface to that work, but he never published what he wrote; as mentioned earlier, he destroyed his manuscript shortly before his death. Even so, we have a reasonable idea of what he had in mind thanks to two sets of students' notes from his lectures on jurisprudence at the University of Glasgow in the 1760s. Smith's basic course consisted of four parts: natural theology, moral philosophy, natural jurisprudence, and political theory, including political economy. Next to nothing is known about the first part, which was a traditional element in the curriculum and seems to have been very brief in Smith's hands. The moral philosophy was published as the *The Theory of Moral Sentiments* in 1759, whereas the lectures on political economy were the basis for Smith's magnum opus, *The Wealth of Nations* (1776).

Just as the virtue of justice is the foundation for natural jurisprudence, so the virtue of prudence is the basis for political economy. But while the former discipline is concerned with those characteristics or qualities that individuals acquire as rights in different societies, the latter study singles out just one quality, self-interest, without specifying its content, and then works out how people based on this one quality deal with each other. Political economy is, in other words, an attempt to work out the *relations* between "abstract" individuals, individuals about whom nothing more is assumed than that they are self-interested, or "prudent." Prices, profits, interest rates, divisions of labour, and so on are, in the famous phrase, the unintended outcome of individual actions, that is, of actions whose specific intentions are irrelevant to the explanation of these phenomena (see Chapter 12). In this connection, it should be pointed out that Smith did not mistake self-interest for selfishness (see Chapter 9); the content or object of self-interest did not seem to be of much interest for explanatory purposes.

Just as Smith never pretended that there was nothing more to human life than the assertion of rights, so he never suggested that the serving of self-interest was exhaustive of human endeavour (see Chapter 11). In both cases, he was explaining facets of the

[7] Cf. K. Haakonssen, *The Science of a Legislator: The Natural Jurisprudence of David Hume and Adam Smith* (Cambridge, 1981).

natural history of the human species which he thought instructive about the range of our possibilities. In both cases, he was using the theory of moral personality which he had formulated in *The Theory of Moral Sentiments*. At the end of this chapter, we look at the same phenomena as part of Smith's history of civil society.

In tracing law, politics, and economy to their basis in the operations of the human mind, Smith was in effect suggesting that these moral institutions are natural to humanity. The question is, in which sense natural? One of the most fundamental disputes in ancient philosophy had been between the Stoics and the Epicureans over this issue. The former taught that morality is natural to humankind in the sense that people have the capacity to govern their lives in accordance with the orderliness, or logos, that underlies the whole of the world. The Epicureans, in contrast, saw people as naturally self-interested and suggested that morality is a device invented to regulate self-interest so it does not become self-defeating, especially through conflict with others or through opposition between immediate and long-term interests.

The conflict between these two schools of thought was revived with great vigour in early modern philosophy. A wide variety of thinkers worked on the idea of morality as "natural" to humanity, not only on Stoic but also on Platonic (or combined Platonic-Stoic) or Aristotelian grounds, but always Christianized so that the basic idea was that natural morality was a divine gift. In Smith's immediate background, one can mention the Cambridge Platonists (Benjamin Whichcote, John Smith, Ralph Cudworth), Lord Shaftesbury and Francis Hutcheson, with their various ideas of a special moral sense as a feature of the mind, and the so-called ethical rationalists (Samuel Clarke, William Wollaston) with their view of morality as a form of rational inference. The arguments of these thinkers and their predecessors were forcefully met by a less numerous succession of neo-Epicureans who, across their many differences, agreed on the basic point that morality was a human contrivance, or artifice, to control or regulate self-interest, and they often formulated this artifice as the outcome of agreements or contracts to set up political institutions to reinforce the rules of morality. Representative and particularly influential were Thomas Hobbes, Pierre Gassendi, Samuel Pufendorf, Bernard Mandeville, and David Hume.

In the hands of the last-mentioned philosopher, the Epicurean argument received a development that was of special importance to Smith. Hume conceded that there was a certain element of natural morality in humanity, namely what I earlier called the positive virtues, but argued that this would at best sustain small social groups, such as families, whereas the big society, civil society, required justice to regulate people's pursuit of self-interest. What is more, Hume indicated that justice, although artificial, developed spontaneously as a practice among people.[8]

Smith took hold of this idea of Hume's – which also had interesting antecedents in Mandeville with which both Hume and Smith were familiar – and with one bold move Smith set aside the ancient divide over the issue of nature versus artifice in morality. This is perhaps his most original contribution to moral philosophy. Smith suggested that artifice is "natural" to humankind, that is to say, there is no condition in which people do not generate moral, aesthetic, and other conventions. Smith, therefore, completely rejected the traditional idea of a state of nature that is antecedent, whether historically or conceptually, to a civil condition, and accordingly he had no room for a social contract as a bridge between the natural and the artificial (civil) life of humanity. At the same time, he saw morality as something conventional in the sense that it is part of humanity's adaptation to the circumstances in which it happens to find itself. While a scientist of human nature, such as Smith, may divide these circumstances into types of society and may be able to discern the basic features of the human mind and personal interaction which are involved in social adaptation, he does not have access to a universal morality nor is an underlying logos any part of his concern.

3. THE THEORY OF MIND AND ACTION

David Hume had put forward a theory of the imagination which Smith developed as the core of his own theory of the mind (see Chapter 1). Elements of it are scattered through *The Theory of Moral Sentiments* but one must also turn to some of his *Essays on Philosophical Subjects*, especially the "Principles Which Lead

[8] See Haakonssen, *Natural Law and Moral Philosophy*, chapter 3.

and Direct Philosophical Enquiries; Illustrated by the History of Astronomy," and to the notes taken by a student from his *Lectures on Rhetoric and Belles Lettres* at Glasgow in the 1760s. For both Hume and Smith, the imagination is a mental faculty by means of which people create a distinctively human sphere within the natural world. It is the imagination that enables us to make connections between the perceived elements of both the physical and the moral world, ranging from binary relations between particular events and things to complex systems such as the national or international economy or the idea of the cosmos or of humanity as a whole. The activity of the imagination is a spontaneous search for order, coherence, and agreement in the world; satisfaction of it carries its own pleasure, whereas frustration brings "wonder and surprise" and, if prolonged, anxiety and unease.

Smith talks of this imaginative striving both in moral terms as a desire for agreement and in aesthetic terms as a concern with beauty and harmony. This reflects a distinction between two fundamentally different kinds of imagination: one is concerned with persons – both oneself and others – as agents, whereas the other has as its object things and events. We may call them – although Smith does not – practical and theoretical imagination, respectively. It is through the practical imagination that we ascribe actions to persons and see persons, including ourselves, as coherent or identical over time. In other words, the practical imagination creates the moral world. This form of imagination Smith calls "sympathy," using the word in a somewhat special sense that has led to much confusion both in his own time and subsequently (see Chapter 6).

The theoretical imagination is, in Smith's view, the foundation for all the arts and sciences (see Chapter 5). It accounts for our ability to bring order and system into things and events around us so we can orient ourselves in life. Smith is particularly good at explaining aesthetic elements of daily life, such as the craving for order and the passion for arranging things for no other purpose than that the order and the arrangement please by bringing a quietness of mind, and he uses the same principle to explain why people have a desire for machinery, gadgets, and other organised systems. Works of art, as well as of technology, are, and are appraised as, works of imaginative order. Not least, philosophy and science are products of the imagination's attempt to create order in the flux