

A critical overview on the Smithian literature: the concept of human nature in Ethics, Economics and Politics

Riccardo Bonfiglioli
(riccard.bonfiglioli2@studio.unibo.it)
(Università di Bologna)

This work seeks to provide a critical overview of some important studies on Adam Smith's conception of human nature in relation to Ethics, Economics and Politics. In particular, firstly, the summary of some texts will bring to light the main contributions to the history of Smithian historiography on these issues; in the second part, this paper will focus on Erich's Schliesser systematic study on Adam Smith, meant as an important example of Adam Smith's recent literature.

Keywords: *Adam Smith, Ethics, Human Nature, Politics, Hume, Economics*

1. Introduction

At first glance a work focused on Adam Smith's conception of human nature might seem to be an old fashioned pursuit. Contemporary Smith scholars dismiss *Das Adam Smith Problem*: the idea that there is a fundamental contradiction between the self-interested actors of *The Wealth of Nations* and the sympathetic actors of *The Theory of Moral Sentiments* that renders Smith's overall theory of human nature incoherent. But in dismissing this problem as having been solved decades ago by philological discoveries (Choi, 1990; Coase, 1976; Thobaden, 1976) these Smith scholars treat an essential question about Smith as a superficial "non-problem" without ever providing the necessary account of the totality of Smith's conception of human nature in relation to Smith's ethical, economical or political theories.

Some of these commentators claim that everything has already been written about Smith, others think it would be ambiguous and anachronistic to talk about Smith's account in these terms. On the contrary, scholars like C. J. Berry acknowledge that Adam Smith's concept of human nature is a central issue in his work, but only provide a partial account of it (Berry, 2018). Recently, several aspects of Smith's idea of human nature have been invoked in broader arguments about the relationship between Ethics, Politics and Economics. However these references to Smith's science of human nature have not been conducted in a systematic way (Brown, 1994, 2009; Evensky, 2005; Otteson, 2000; Paganelli, 2008; Smith, 2005; Tribe, 2008, 2015; Witztum, 1998, 2008). Simultaneously, it is possible to find works that explicitly frame the problem of human nature within the relation between Ethics, Politics and Economics (Göçmen, 2007; Montes, 2004), and others

which address Smith's conception of human nature to some extent (Fleischacker, 2004; Phillipson, 2011; Schliesser, 2017). But none of these gets us close to an accurate study of Smith's notion of human nature.

So in the existing literature there are those who are interested in elements of Smith's conception of human nature and those who are interested in it as a way into understanding the connection among moral philosophy, economics and politics, but there has been no sustained attempt to provide a systematic account of Smith's theory of human nature which can then be used to address the issue of the connection between Ethics and Economics.

On one hand, this work will show how Smith's conception of human nature has been studied from a number of different standpoints – noting the most influential interpretations of Smith's account on the basis of their aim, field of study and approach – in particular in relation to Economics, Ethics and Politics; on the other hand, it will put the stress on Schliesser's contribution and on his way to interpret Smith's conception of human nature against the background of his economical, ethical and political theories. In this sense, I will provide some important references for those scholars that intend to study Smith's conception of human nature.

2. Adam Smith's studies on human nature and Economics

We can start with Ronald Coase's seminal article (Coase, 1976) which intends to state the unity of Smith's work, showing how a man could be dominated by self-love and have concerns for others at the same time. Coase refers polemically to Oncken's approach (Adam Smith Problem) as a way of saying that only a very radical view of humans as utterly self-interested (*homo oeconomicus*) would prevent a coexistence between Economics, Politics and Ethics and create an *Adam Smith problem*. Such coexistence is necessary for both Economics, Politics and Ethics as intellectual disciplines and moreover it can be discerned in Smith's account. Here, the question is how we reconcile the social theoretical account of self-interested and pro-social motivations with both the political problem of liberalism and with the moralistic question about the coexistence of altruism and individualism in human conduct (Evensky, 2005). In their own way the writings of Eamonn Butler (Butler, 2007), Jesse Norman (Norman, 2018), Mark Skousen (Skousen, 2007), and George J. Stigler (Stigler, 1981), all agree that humans have "prosocial preferences"--ie., people care about others in this sense, but they fail to flesh out how the two sides of our nature can provide a coherent analytic and moral account of human life. In this framework, Elias Khalil, on the other hand, argues that Smith's theory of sympathy is basically a rational choice approach (Khalil, 2017) and so seeks to solve the tension by reducing sympathy to a form of self-interest.

What is lacking from Coase and these other accounts is an appreciation of the historicity of Smith's understanding of human nature. Abstract individualism and excessively rationalistic accounts of human behaviour miss the fact that Smith sees humans as products of social and historical processes that can be understood.

The current tendency towards abstract individualism in the economic literature can be contrasted to two sets of thinkers who take Smith's account of sociality seriously: i) The behavioral economists appeal to Smith's TMS to argue that humans have prosocial preferences; ii) a few (such as Vernon Smith, Robert Sugden, Golemboski, Heilbroner) argue that TMS offers a theory of the socialized individual according to which the individual's motives, desires, or preferences are ultimately determined by existing social norms. On the contrary, the long-running work of Amos Witztum has sought to bridge this divide by focussing on the intersubjective nature of the Smithian subject, and showing how the different tendencies of the subject manage to generate a system where ethical judgment and social behaviour interact by using the abstract modelling of contemporary economics (Witztum, 1998).

Those who have focussed on the social theoretical elements of Smith's account have tended to stress that they are characterised by unintended consequences models rather than by models of rational calculation (Smith, 2006; Ottenson, 2002). These authors do not deny that Smith's actors are rational and sympathetic, but they stress the fact that his explanation of outcomes on a social level does not depend directly on motivations, but rather is a result of the interactions of differently motivated actors. Similarly, Leonidas Montes (2004), Maria Pia Paganelli (2008) and A.O. Hirschmann's (1977) works focus on the complex relationship between self-interest and sympathy in specific aspects of Smith's thought. While these author's provide a more social and historical account of Smith's view, none of them comes close to a fully developed account of the complexity of Smith's conception of human nature, an account that is needed if we are to definitively put the Adam Smith problem to bed.

3. Aspects of Smith's human nature in political and philosophical literature

There has also been a revival of interest in Smith among philosophers. The publication of the Glasgow edition stimulated interest in Smith's thought and brought about a number of interpretations that sought to place Smith's moral philosophy in the correct intellectual context. An example of this philological approach, based on the work of historians such as J.A Pocock and Q. Skinner, would be D. Winch's civic-humanist contribution, which emphasizes the political-social dimension of the

subject in Smith, combining the ethical sphere and economic sphere through jurisprudence (Winch, 1978).

While Haakonssen attempts to place Smith in the natural jurisprudence tradition as opposed to the civic-humanist tradition advocated by Winch, both read Smith through the context of eighteenth century political thought, and the gap between the two traditions leaves open the space for an *Adam Smith Problem*.

Similarly, those who focus on those who have influenced Smith, such as N. Phillipson (2011), Streminger (2017), G. Vivenza (2001), Hont's genealogy (2005, 2015) or H. Mizuta's writings (2000) focus on the reconstruction of sources used by Smith in his theory building, taking him in his historical context. For instance, according to Phillipson Hume's 'science of man' drives Smith's entire project (opposed by Sagar, 2017). From another point of view, G. Vivenza shows the impact on Smith's thought of cultural heritage (Aristotle) via Hutcheson and Stoics. While Hont looks at under-studied authors that shaped Smith's view like Rousseau and Condillac. In the works of Fricke and Dagfinn Føllesdal (2012), those of Ozler and Gabrinetti (2018), and Herzog (2013), Smith is read in comparison with later thinkers and contemporary authors like Husserl, Freud and Hegel. This is useful in putting Smith in a long-term context without making claims about direct influence between the author's concerned and Smith. Given this general overview, in the next paragraph, I intend to focus on Schliesser's study.

///

4. *An example of recent literature: Erich Schliesser's study as starting point*

In 2017, Oxford University Press released an important text for scholars of Adam Smith's work entitled *Adam Smith. Systematic Philosopher and Public Thinker*. The impact of this volume within the historiographical production relating to Adam Smith's thought is witnessed not only by its publishing success (a paperback edition is planned for 2019), but also by the attention devoted to the essay by some of the leading international experts on Adam Smith - as in the case of Craig Smith or Maria Carrasco - whose interest has been followed by countless comments throughout 2018.

The result of decades of research work, Prof. Eric Schliesser's essay is characterised, from a methodological perspective, by an organic interpretation of Smithian primary sources (with the exception of Smith's students' notes and Smith's tutor to the young Duke of Buccleuch), supported by a broad and cross-cutting use of secondary literature (for example, Hanley 2009). This approach is thus complemented by an awareness of the influence of the historical context and cultural temperament in which Smith's writings are embedded (in particular, David Hume).

In relation to the linguistic level, the substratum of Smith's thought is deepened through an analysis of the conceptual vocabulary of the Kirkcaldy philosopher. At the same time, Schliesser employs words borrowed from the philosophy preceding and following Smith's, insofar as they prove capable of bringing out the systematic character of Smith's writings. This is the case with the quotations from Kuhn and Spinoza with respect to the analogy between science and politics in Adam Smith.

Thematically, in contrast to other publications that tend to present Smith essentially as a moral philosopher (e.g. Raphael 2007), Schliesser grants ample space to the treatment of Adam Smith's epistemology and philosophy of science, in connection with the better known economic, moral and political aspects, and interprets Smithian texts in the light of each other, focusing on Smith's conception of human nature. A further character of originality is represented by Schliesser's examination of certain problems rarely focused on in Smith's production, such as the role played by fortune in the course of historical events¹.

Schliesser himself states that the essay focuses on «Smith's system and the effects he hoped to promote with it»². The author, taking the Smithian definition of philosophy from *the History of Astronomy*, argues the reasons for his hermeneutic approach - which considers Smith more as a philosopher than as an economic thinker - since, quoting Smith, «philosophy is the science of connecting principles of nature»³.

In this way, the book also takes a leading position in relation to the historiographical problem par excellence of the literature on Adam Smith: *Das Adam Smith problem*. Certainly, among the various merits that characterise it, Schliesser's essay has the merit of scientifically demonstrating the logical inconsistency of this scheme of interpretation, contributing to broadening the terms of the historiographical debate on the relationship between ethics and economics in relation to Smith's conception of human nature and placing a new object of investigation at the centre of the international debate: the question in fact is no longer whether an overall philosophical interpretation of Adam Smith's production is adequate or not, but of what nature this reconstruction should be and what kind of exegesis of Smith's thought most closely approximates the ultimate meaning of his theoretical intentions.

Let us try, then, to bring out some salient points of the text and, in particular, Schliesser's reasoning behind his hypothesis of juxtaposing Smith's philosophical systematicity and his role as a public thinker. Schliesser's first step in describing the meaning of the concept of system in Smith is

¹ Schliesser 2017, p. 202.

² Schliesser 2017, p.1.

³ Schliesser 2017, p. 5.

to distinguish the use of the word 'system' in the philosophy of two thinkers who are a constitutive part of Smith's theoretical reach: Hume and Berkeley.

In short, Hume would have an interscientific notion of system, while Berkeley, not very differently, would be characterised by an intrascientific notion. Starting from this premise, Schliesser outlines the semantic articulation of the Smithian concept of system through the plural 'systems'. Schliesser thus defines the main sense through which he refers to Smith in terms of system: «To be systematic, then, here means that such explanatory principles of a science, or intellectual discipline, cohere with each other and are properly connected»⁴. Although the references to Hume and Berkeley may appear on the edge of theoretical arbitrariness, due to the absence of a significant number of references to texts that justify the Hume-Berkeley-Smith nexus of systematicity, Schliesser is convincing when he attributes the expression «systematic philosopher» to Smith on the basis of Smith's own writings.

More generally, Schliesser investigates the Smithian concept of system from the analysis of the deep conceptual tensions running through it. On the one hand, systems would invoke an aesthetic desire for harmony, on the other hand, the system spirit would represent a threat to interpersonal relationships, since individuals would treat each other as means. Here, it is already possible to identify how philosophy and politics form a single axis in Smith's discourse: it would then be the task of philosophy to distinguish the different nuances of the system concept in relation to the sphere of the political, which is embodied for Smith, as Schliesser reminds us, in the statesman.

The author's aim is to reconstruct the development of Smith's system understood as a set of intra-scientific systems: assuming that «the systems are fully integrated into a single set of connected and coherent explanatory principles», it follows that it is possible to think of science as a «single system». Schliesser thus proposes to problematize the centrality of Smith's interest in the creation and development of a plural and systematic science and, at the same time, with respect to a complementary epistemological reflection on the principles and nature of its status.

Schliesser calls the system of anthropic philosophy the theoretical synthesis of *the Theory of moral sentiments* and *the Wealth of nations*. According to the author, in fact, human nature would constitute the pivotal object of the entire Smithian production. In relation to this, Schliesser identifies a second field of interest concerning «those principles which ought to run through, and be the foundation of the laws of all nations»⁵ (Grotius represents here Smith's theoretical referent, as Schliesser punctually recalls). In this sense, Smith's system of anthropic philosophy would consist of

⁴ Schliesser 2017, p. 4.

⁵ Schliesser 2017, p. 12.

those principles that guarantee the harmony of society and would include the Smithian project of searching for the origin and causes of law and government.

This first system would be linked to a second one of a strictly theoretical order that Schliesser names «system of scientific systems», which is qualified in relation to the problem of how certain principles structuring human nature enter into communication with the phenomena proper to the process of civilisation. From this distinction, a point emerges that can justify the binomial systematic philosopher-public thinker: in Smith, political and anthropological interests, the investigation of moral and economic principles go hand in hand.

There are two key concepts Schliesser uses to substantiate the relationship between the two Smithian systems: the «Smithian social explanation» and «environmental rationality». With regard to the definition of the first category (Schliesser in the second part of the book distinguishes it from the heterogenesis of ends), the historical development of human nature would be determined to a large extent by social interaction, during the process of civilisation (e.g. the natural propensity to barter or language)⁶.

With regard to the concept of «environmental rationality», Schliesser uses it to focus on the value of historical explanation in Adam Smith. In fact, the author believes that the idea of the adjustment between morality and the environment is at the basis of society and represents a pivotal element of his discourse on the close relationship between social-political and philosophical thought in Adam Smith.

Another argument capable of corroborating the link between systematic thinking and the publicity of philosophy concerns the meaning of the term morality. On the basis of Condorcet's use of it, Schliesser designates a nuance of meaning close to that of social: the Smithian moral sentiment would in fact be ascribable to a social passion. There are several places where Schliesser explicitly emphasises the social consequences of scientific-philosophical theories⁷.

Schliesser makes use of the aforementioned concepts of Smithian social explanation and environmental rationality precisely in order to show the moral foundation of institutions, circumscribing under this lens such well-known themes as those of sympathy and the impartial spectator and lesser-known ones such as the Smithian conception of curiosity⁸. For instance, the impartial spectator, in relation to the concept of environmental rationality, would show how the anthropological structure of the individual, in its moral and social articulations, interacts with and is influenced by the surrounding environment.

⁶ See Schliesser pp. 27-30.

⁷ For example, Schliesser 2017, pp. 2-4.

⁸ See Schliesser 2017, p. 354.

In conclusion, it is interesting to note how the structure of the book first concerns an investigation into the elements that constitute the individual, then how these are configured in relation to the politico-social structure, until finding a synthesis in the figure of the philosopher, understood as a political person, the apex and focal point in which the complexity of Adam Smith's intellectual elaboration converges.

It is in the first part of the book that we find Schliesser's analysis of the Smithian conception of the passions, divided into proto, natural, intellectual and derived⁹, and a section devoted to the moral psychology of the individual, with a focus on the themes of superstition and peculiar feeling¹⁰. Here we find Schliesser's articulation into creations that are the result of the encounter between human nature and historical development and others that are the product of human artifice and philosophy, between natural and moral feelings.

In the second part of the book, where social theory and philosophy of science are explicitly integrated, Schliesser's attempt to critically respond to the old truths of liberalism is clear, showing how the author considers the public value not only of Smithian thought but of his own work. At this level, Schliesser supports Smith's consequentialism in his assessment of social institutions and the idea that Smithian economic policy does not disregard the working class, pivoting logically on the importance of Adam Smith's moral discourse. Finally, it is in the third and shortest part that Schliesser returns to the importance of philosophy in the formation of the public thinker, also examining the possible deleterious effects of religion.

References:

- Berry, C.J, *Essays on Hume, Smith and the Scottish Enlightenment*, Edinburgh University Press, Edinburgh, 2018;
- Brown, V., *Adam Smith's Discourse. Canonicity, Commerce and Conscience*, Routledge, London, 1994;
- Choi, Y. (1990). Adam Smith's View of Human Nature. *Review of Social Economy*. vol. 48, pp. 288-302, 1976;
- Coase R.H., Adam Smith's View of Man. *The Journal of Law and Economic*, 19:3, 529-546, 1976;

⁹ See Schliesser 2017, p. 49.

¹⁰ See Schliesser 2017, p. 121.

- Evensky, J., *Adam Smith's Moral Philosophy: A Historical and Contemporary Perspective on Markets, Law, Ethics, and Culture*, Cambridge University Press, Cambridge, 2005;
- Fleischacker, S., *On Adam Smith's Wealth of Nations: A Philosophical Companion*. Princeton University Press, Princeton, 2004;
- Follesdal-Fricke, *Intersubjectivity and objectivity in Adam Smith and Edmund Husserl*, Ontos Verlag, 2012;
- Gabrinetti, Ozler, *Psychoanalytic Studies of the Work of Adam Smith: Towards a Theory of Moral Development and Social Relations*, Routledge, London, 2017;
- Göçmen, D., *The Adam Smith Problem*, Tauris, London, 2007;
- Haakonssen, K. (Ed.). *The Cambridge Companion to Adam Smith (Cambridge Companions to Philosophy)*, Cambridge University Press, Cambridge, 2006;
- Haakonssen, K., *The Science of a Legislator: The Natural Jurisprudence of David Hume and Adam Smith*, Cambridge U. P., Cambridge, 1981;
- Herzog, L., *Inventing the market. Smith, Hegel and political theory*, Oxford University Press, Oxford, 2013
- Hirschman, A. O., *Le passioni e gli interessi*, tr. it., Feltrinelli, Milano, 2012;
- Hont, I., *Jealousy of Trade: International Competition and the Nation-State in Historical Perspective*. Harvard University Press, Cambridge, MA, and London, 2005;
- Hont, I., et al. *Politics in Commercial Society: Jean-Jacques Rousseau and Adam Smith*. Harvard University Press, Cambridge, 2015;
- Khalil, E. L. "Socialized View of Man vs. Rational Choice Theory: What Does Smith's Sympathy Have to Say?" *Journal of Economic Behavior and Organization*, 143, pp. 223-240, 2017;
- Macfie, A. L., *The Individual in Society*, Allen & Unwin, London, 1967;
- Mizuta, H., *Adam Smith's Library. A catalogue*, Oxford University Press, Oxford, 2000;
- Montes, L., *Adam Smith in context. A critical Reassessment of some central components of his thought*, Palgrave Macmillan, New York, 2004;
- Norman, J., *Adam Smith: What He Thought and Why it Matters*, Allen Lane, London, 2018;
- Otteson, J., *Adam Smith's Marketplace of Life*, Cambridge University Press, Cambridge, 2002;
- Otteson, James R. "The Recurring 'Adam Smith Problem'". *History of Philosophy Quarterly*, vol. 17, no. 1, pp. 51–74, 2000;
- Paganelli, M. P., "The Adam Smith Problem in Reverse: Self-Interest in *The Wealth of Nations* and *The Theory of Moral Sentiments*. *History of Political Economy*, 40.2, 2008;
- Phillipson, N., *Adam Smith. An enlightened life*, Penguin Books, London, 2011;

- Raphael, D. D., *The impartial spectator. Adam's Smith Moral Philosophy*, Oxford University Press, New York, 2007;
- Ross, I. S., *The Life of Adam Smith*, Clarendon, Oxford, 1995;
- Sagar, P., "Beyond Sympathy: Smith's Rejection of Hume's Moral Theory", *British Journal for the History of Philosophy*, 25:4, 681-705, 2017;
- Schliesser E., *Adam Smith. Systematic Philosopher and public Thinker*, Oxford University Press, Oxford, 2017;
- Skousen, M., *The Big Three in Economics: Adam Smith, Karl Marx and John Maynard Keynes*, M. E. Sharpe, New York, 2007;
- Smith, A., (1776) *An Inquiry into the Nature and Causes of the Wealth of Nations*, 2 vols. Edited by R. H. Campbell and A. S. Skinner, Clarendon Press, Oxford, 1976;
- Smith A., (1759) *The Theory of Moral Sentiments*, edited by D. D. Raphael and A. L. Macfie, Clarendon Press, Oxford, 1976;
- Smith, C., *Adam Smith's Political Philosophy: The Invisible Hand and Spontaneous Order*. Series: Routledge studies in social and political thought. Routledge, London, 2006;
- Stigler, G.J., *Economics or ethics?* In S. McMuffin (ed.), *Tanner Lectures on Human Values*, vol. II. Cambridge: University Press, 1981;
- Streminger, G., *Adam Smith. Wohlstand und Moral. Eine Biographie*. C.H.Beck, München, 2017.
- Thobaden, R., *Adam Smith's conception of human nature*, *Forum for Social Economics*, 6:3, 8-17, 1976;
- Tribe, K., *Das Adam Smith Problem and the origins of Modern Smith Scholarship*, *History of European ideas*, vol. 34, pp.514-525, 2008;
- Winch, D., *Adam Smith's Politics: An Essay in Historiographic Revision*. Cambridge University Press, New York, 1978;
- Witztum, A., *A Study into Smith Conception of the Human Character: Das Adam Smith Problem Revisited*, *History of Political Economy*, 30.3:489-513, 1998;
- Witztum. A., *Smith's theory of actions and the moral significance of unintended consequences*, *The European Journal of the History of Economic Thought*, 15:3, 401-432, 2008;
- Vivenza, G., *Adam Smith and the Classics: The Classical Heritage in Adam Smith's Thought*. Oxford University Press, Oxford, 2001;