

**BEYOND RATIONALIST ORTHODOXY: TOWARDS A COMPLEX  
CONCEPT OF THE SELF IN IPE**

by

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## *Abstract*

In this thesis I investigate the intellectual foundations of International Political Economy (IPE) in order to develop a more complex account of agency than that currently provided to the subject field by neoclassical economics. In particular, I focus on the thought of Adam Smith, whose ideas are gaining interest in IPE owing to an increasing recognition of his seminal contribution to the subject field. I investigate the secondary debate on Smith, his influences, his distance from his peers in the Scottish Enlightenment and his ongoing influence across the social sciences. I also analyse the thought of William James, and argue that his similarly influential concept of agency offers a complex view of the self that is complimentary to Smith's account. I suggest that the framework of the self that these thinkers provide can present critical IPE theorists with an alternative concept of agency than the reductive account currently employed in the subject field. I argue that these theorists are unable to countenance such an alternative owing to their implicit acceptance of the analytical separation of economics and politics that became institutionalised after the *Methodenstreit*. I suggest that this is obscured by their commitment to normative interventionism, which I argue threatens to reiterate the universalist claims that they seek to challenge.

*For Dorota*

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## **INTRODUCTION**



There is no way that contemporary international political economy can be understood without making some effort to dig back to its roots (Strange 1994: 18).

An important criticism of international political economy (IPE) is that it employs a reductive account of agency in which individuals are assumed to act in a rationally self-interested, utility-maximising manner (e.g., Griffin 2007: 722; Murphy and Tooze 1991: 26; Watson 2005: 27). Despite the weakness of this account, derived from neoclassical economics, critical IPE theorists fail to replace it with a more convincing notion of the individual in society. Indeed, when attempts are made to introduce complex accounts of agency into IPE (e.g., Elms: 2008; Hobson and Seabrooke 2007a; Katzenstein, Keohane and Krasner 1998; McNamara 2009; O'Brien 2000; Odell: 2002), it is usually through a framework that implicitly replicates rationalist assumptions of the self. As such, agency remains poorly theorised in the subject field.

In this thesis, I attempt to address this problem via a detailed analysis of the thought of Adam Smith and William James, which enables me to argue that their concepts of the self can provide IPE with a framework through which a more credible account of agency can be incorporated into the subject field. In doing so, I attempt to contribute to a burgeoning literature at the “cutting edge” of the discipline (Higgott and Watson 2008: 13) that suggests that such an objective can only be achieved via a critical understanding of IPE’s intellectual foundations. As such, my research builds upon important efforts already made and currently being undertaken by political economists who invoke Smith’s thought in order to re-engage the subject field with its pre-disciplinary origins (e.g., Higgott 2000; 2007; Strange 1984; Watson 2005; 2007a; 2009; 2010).

As these authors suggest, this re-engagement enables IPE to move beyond the orthodox approach that views the subject field as the study of the political economy of International Relations (Strange 1991; e.g., Cohn 2000; Gilpin 1987; Skidmore and Lairson 2003), a view that dates IPE's creation to the collapse of the Bretton Woods system in the early 1970s (Watson 2005: 11). In my view, this approach reiterates the artificial separation of politics and economics that occurred during the division of political economy into separate academic disciplines that took place in the late nineteenth century, the period in which the neoclassical account of the self was institutionalised in the social sciences. As I argue, analysis of Smith's and James's pre-disciplinary thought can aid a move beyond this approach whilst contextualising IPE and highlighting its ability to employ an alternative to the rationalist conceptualisations of agency currently employed in the social sciences.

In this thesis I seek to develop the interventions made by Watson et al. by engaging in a thoroughgoing analysis of Smith's work, his influences, the views of his contemporaries, and the extensive secondary debate that continues to flourish around his thought. I add to this a detailed examination of the ideas of William James, "father" of modern psychology, whom I argue aids understanding of Smith's thought whilst providing a complementary and complex account of the self that can be employed in IPE. I conclude by arguing that, in addition to providing a more convincing account of the individual in society, Smith's and James's commitment to the provisional nature of morality and knowledge production demonstrates that a critical approach to IPE need not equate to interventionism. To the best of my knowledge, this is a novel contribution.

I also consider this to be a timely contribution, as attempts to define the role and status of IPE are currently being made in a robust manner, often in terms of contrasting approaches to the subject field that are allegedly found in different geographical locations (e.g., Cohen 2008; Blyth 2009). To my mind, this reflects the tendency, prominent in the social sciences since the late nineteenth century, to segregate areas of study in terms of methodological preference. As I argue, this is a self-reinforcing process that contributes to a widespread failure to reflect upon the shared rationalist underpinnings of these disciplines and the opposing “camps” within them. As such, I suggest that, despite defining themselves in opposition to neoclassical accounts of the self, critical IPE theorists are unable to challenge orthodox conceptions of agency in any significant way. Since increasing numbers are becoming interested in the subject-field, this is potentially problematic, as failure to reflect upon the rationalist underpinnings of contemporary IPE will arguably facilitate the unwitting replication of these assumptions. As the current trend to attempt to define the subject field perhaps suggests, however, this is also an opportunity to address this problem in a meaningful way.

### *Why Smith and James?*

The growth in popularity of IPE since the 1970s is coterminous with an increased interest in more sophisticated interpretations of Smith’s ideas across the social sciences (e.g., Arrighi 2007; Barbalet 2005; Brown 1994; Gamble 1995; Glaze 2008; Kuiper 2006; Montes and Schliesser 2006; Linklater 2007; Muller 2009; Murphy and Tooze 1991; Sayer 2007; 2003a; Sen 1987; 2000; Watson 2005; 2007a; 2007b; 2008; 2009; Werhane 1991; Wight 2002; Williams 1999; Wilson and Dixon 2004; 2006).

These authors are among a growing number that are influenced by heterodox Smithian theorists’ holistic approach to Smith’s *oeuvre*, an approach that has gained

some popularity since the publication of the Glasgow Editions of his works and correspondence between 1976 and 1987. For these authors, Smith is not the advocate of selfishness and *laissez-faire* as is suggested in canonical accounts proposed by neoclassical economists and orthodox International Relations theorists (e.g., Arrow and Hahn 1971; Samuelson 1977; Stigler 1975; Waltz 1959). As I explain in Chapter One, such a conceptualization implicitly depends upon the *Adam Smith Problem*, first put forward by Gustav Schmoller's colleagues in the German Historical School, in which it is erroneously supposed that Smith's contribution is undermined by an irreparable inconsistency in his published work. As Andrew Sayer (2003: 341) points out, however, this reductive account of Smith is "...increasingly recognised by intellectual historians as an egregious misrepresentation".

To be sure, there is a discernible demand among social scientists for a more accurate appraisal of Smith's thought than that usually expressed in mainstream accounts, which, as I note in Chapter One, is informed by selective readings of specific passages from *An Inquiry into the Nature and Causes of the Wealth of Nations* (1776).<sup>1</sup> As I also suggest, a holistic approach to Smith's *oeuvre* clearly demonstrates that he applies his thought to a variety of subjects in a consistent manner, inquiring into the potential existence of general principles that guide systems of economics (in *WN*), morality (in *The Theory of Moral Sentiments*), justice (in *Lectures on Jurisprudence*), knowledge (in *Essays on Philosophical Subjects*), and aesthetics and language (in *Lectures on Rhetoric and Belles Lettres*) without ever separating these spheres of life.<sup>2</sup>

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<sup>1</sup> Hereafter referred to as *WN*.

<sup>2</sup> I am aware that this could fall foul of what Quentin Skinner (1969: 7) refers to as the "mythology of doctrines", in which coherence is read into a theorist's *oeuvre* when it may not exist. Taking a thoroughly holistic approach to Smith's work enables me to be confident that I avoid such a potential hazard, however.

As I discuss in Chapter Four, this approach is in contrast to marginalist economists such as Carl Menger (e.g., 1950 [1891]), whose reduction of agency to “rational economic man” has become the standard view in economics since his victory over Schmoller in the Austro-German *Methodenstreit* in the late nineteenth century, a view that is often wrongly attributed to Smith. As I note here, this conceptualisation of agency is also dominant across the social sciences, including IPE, owing to the artificial separation of economics and politics that took place during this period. As I also discuss, this prompted the creation of the new disciplines of economics, sociology and psychology, which were subsequently separated into inductive-rationalist and deductive-rationalist “camps” with which authors in other disciplines associated and continue to identify. According to Leonidas Montes (2004: 163) this divorce is a development that Smith would lament. To be sure, Smith predates this division by over one hundred years, and consequently avoids such a false dichotomy. As I argue in Chapter Three, his polymathic approach is echoed in James’ seminal contribution to psychology, one that was made during the period in which the *Methodenstreit* occurred. As I argue here, Smith’s and James’s holistic approaches ensure their avoidance of rationalist assumptions regarding human agency.

As I suggest, both authors are able to retain reflexive agency for individuals whilst countenancing general standards of morality within a context-dependent moral psychology, which, I argue, provides a perspective that is of significance today. To be sure, as Susan Cross and Hazel Markus (1990: 726) explain, the influence of James’s ideas on the self in contemporary psychology is “unparalleled ...and references to them can be seen everywhere in increasing numbers”. As Michael Lawlor (2006: 336) notes, James is also highly influential across a range of current heterodox debates in economics, neuroscience, the philosophy of mind, and the philosophy of the social

sciences. James's renown in the social sciences is therefore similar to that enjoyed by Smith (Fleischacker 2004b: 278; Montes 2004: 7-8; see also Fig.3, below). However, as I discuss, both authors are often perceived through the distorted lens of figures such as Paul Samuelson and George Herbert Mead, whose particularistic interpretations of Smith and James leads to subsequent misunderstandings of their work within economics and sociology. By contrast, I focus on Smith's and James's work directly. This enables me to argue that both thinkers' commitment to the evolutionary nature of knowledge and morality facilitates their ongoing relevance as, unlike their contemporaries, their preference is for inquiry over prescription. As I note throughout this thesis, this approach is based upon observation rather than any intention to advocate a particularistic normative stance. It is this spirit that guides my inquiry.

This approach also informs my use of terminology. As Keith Tribe (1995: 67-68) argues: "[t]oo often effort is devoted to gathering together contemporaries under some convenient label, seeking to minimise or ignore convenient differences...no 'School' ever speaks with one voice all the time". Tribe makes this comment in reference to the use of the term the "Scottish Enlightenment", which, as I show in Chapter Two, is an accurate assessment, as there are a number of significant differences between thinkers grouped under this heading (see Fig.2). However, there are also sufficient similarities between these thinkers' influences and methodologies to warrant the use of the term when due care is applied. To my mind, Tribe's comment could also apply to thinkers denoted as "orthodox" and "heterodox" theorists in the secondary debate on Smith, as well as to figures that are identified as "mainstream" and "heterodox" economists and as "orthodox" and "critical" IPE theorists, who also share discernible similarities to others with whom they are grouped in terms of influence and methodological preferences. As I demonstrate, however, there are a variety of significant differences

between thinkers that are placed within these categories. Furthermore, I show that authors within these groups are more closely connected to those in their opposing “camp” than is usually acknowledged. As such, I employ these categories as analytical devices in a conscious manner that enables me to investigate and summarise trends within the literature in an accessible way without imbuing them with undue causality.

*Contribution to knowledge:*

In this thesis I demonstrate the connected nature both of Smith’s thought and the secondary debate that surrounds it. This enables me to investigate the points at which canonical and heterodox views on Smith meet and diverge, and their reasons for doing so (see Fig.1). In a similar manner, I highlight the points at which Smith departs from his influences and from his contemporaries (see Fig.2), thereby providing a detailed comparison of Scottish Enlightenment thought that again highlights the relevance of Smith’s views to contemporary IPE. This is also demonstrated through a detailed comparison of Smith’s and James’s thought, which enables me to trace their influence upon areas such as rational choice sociology, symbolic interactionism, new and “old” institutionalist economics, neopragmatism, behavioural psychology, critical realism, poststructuralism and social constructivism, areas that are increasingly utilised by IPE theorists that attempt to incorporate more complex accounts of agency into their work.

Whilst depicting the present state of IPE in its historical and intellectual context in a novel manner, I am also able to reflect upon the influence of Smith and James on the subject-field and the social sciences more broadly (see Fig.3). Through this, I suggest that a Smith-James framework of the self can aid current attempts to replace the predominant inductive-rationalist account of agency whilst avoiding methodological

individualism and overly structural accounts of the self. Whilst numerous scholars have considered the implications of Smith's and James's ideas, no one to my knowledge has yet focused directly on the ways in which their ideas have common characteristics and can be utilised to aid clearer understandings of the self in IPE in such a manner.

*Thesis outline:*

In Chapter One I analyse key developments in the secondary debate on Smith, in which he is variously depicted as a proto-equilibrium theorist, a deist, an enemy of the poor, an obscurantist, and, most commonly, as the libertarian founder of *laissez-faire* capitalism and the self-regulating market (Sayer 2003: 341; Montes 2004: 163). I suggest that this view stems from the *Adam Smith Problem*, in which it is erroneously assumed that there are two incommensurable "Adam Smiths" represented by each of the two books that were published during his lifetime. As A. L. Macfie (1953; 1967) rightly notes, the ethical overtones are "damped down" in *WN* when compared to *The Theory of Moral Sentiments*<sup>3</sup>. As Macfie also explains, however, the theme of natural liberty that runs through both books resolves any tension between them. As such, rather than following the prevailing tendency in the secondary debate in which Smith's alleged intentions are extrapolated from specific passages of one or other of his books, I instead assess his evidently connected *oeuvre* in terms of its recurring themes. This is important since, concurrent with his increasing popularity, and despite a gradually growing appreciation for the evidently connected nature of his thought, the *Adam Smith Problem* is still being reiterated in the social sciences, as economists cite exclusively from *WN*, whilst sociologists and others in the humanities refer only to *TMS* (Wight 2002).

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<sup>3</sup> Hereafter referred to as *TMS*.



This division is also reflected in the secondary debate on Smith. Just as orthodox theorists focus on *WN*, heterodox Smithians and economic historians attempt to resurrect *TMS*. As I discuss, these latter arguments centre on Smith's alleged deism and the supposed ironic distortion that he applies to his more radical views. I analyse the development of these arguments, and, while stressing their interconnected nature, suggest that these authors fail to challenge mainstream accounts of Smith sufficiently as they discuss his work on orthodox authors' terms. Such an overview of the secondary debate on Smith has not been previously provided as far as I am aware.

A similar possibility is observable in terms of a discussion of the intellectual context through which IPE has developed. According to Jean-Pierre Dupuy (2002: 139), political economy's origins can be traced to the "fertile soil" of the Scottish Enlightenment. However, analysis of this body of thought is entirely absent from IPE debate. To my mind, this is an important oversight, which I attempt to address in Chapter Two. Here, I compare Smith's views to those of his contemporaries in the Scottish Enlightenment in order to discern the classical and immediate influences on his thought. This also enables me to present the nature of the intellectual advances that he makes upon these sources and upon his peers. As I discuss, unlike his contemporaries, Smith is able to demonstrate the compatibility of economic and moral progress. Indeed, as I argue, for Smith, propriety is established without an appeal to a religiously- or philosophically-inspired objective standard of morality.

This distance from his peers denotes Smith's emphasis upon self-determination, which, rather than representing a commitment to methodological individualism, relates to his appeal to different individual and cultural articulations of human experience. As I argue, this is reflected in his theory of knowledge and his

conceptualisation of a plurality of moral aptitudes and viewpoints that exist within society, an approach that is developed through his concept of the impartial spectator. As I suggest, it is this concept that enables Smith to avoid moral relativism, as he observes common traits that are contextually interpreted. As I also note, this view is consistent with his thoroughgoing restraint from advocating a point at which society should aim or through which moral behaviour ought to be evaluated. Smith's flexible, optimistic and psychological account of political economy is thus in direct contrast to the civic humanism of his contemporaries. By again focussing on what Smith says rather than suggesting what he might mean, this comparison highlights the ongoing relevance of his thought to contemporary IPE.

As I explain in Chapter Three, this stems in part from Smith's observation that humans have a psychological need to place apparently unconnected phenomena into contemporaneously agreeable philosophical systems. This relates to his emphasis on the importance of the imagination and aesthetics to the division of labour, the development of language, morality, and economic growth, which is informed by his commitment to the provisional nature of knowledge that informs the non-dogmatic nature of his thought, which I discuss here. I also argue in this Chapter that such an approach is similar to that utilised by William James, "father" of modern psychology. As I show, like Smith, and unlike his contemporaries in the new disciplines of psychology and economics whose rationalist assumptions regarding the self continue to implicitly inform IPE, James does not posit a distinction between the "economic" and the "moral" self. Instead, he develops a philosophically and psychologically sophisticated account of the self and of the provisional nature of knowledge that I argue is compatible with Smith's thought. As I also argue, this compatibility provides a framework of the self that might be employed in IPE.

In Chapter Four, I demonstrate the intellectual space that exists within IPE for such a framework. As I discuss here, Smith and James avoid the catallactic separation of economics and politics that has shaped the social sciences since their creation in the period following the *Methodenstreit*. I suggest that their subsequent separation along an inductive-deductive divide is reflected in the tendency to bifurcate IPE along methodological lines, as is demonstrated by the widespread tendency to characterise the subject-field in terms a split between North American and British IPE (e.g., Cameron and Palan 2009; Cohen 2007; 2008; Denmark and O'Brien 1997; Murphy and Nelson 2001; Tierney and Maliniak 2009; Tooze 1985). As I note, this is also accompanied by a desire to bridge the perceived methodological divide, at times via compliance with the norms that these authors associate with the North American version of IPE (e.g., Cohen 2009; McNamara 2009; Seabrooke 2007a).

I argue that this tendency masks the shared rationalist underpinnings of both “camps” in IPE. I demonstrate this through discussion of similar attempts made by rationalist, institutionalist and constructivist authors who attempt to bridge the apparent methodological divide via the introduction into their analyses of more complex accounts of the self than that provided by neoclassical economics. As I show, however, these attempts fail to move beyond reductive accounts of agency in a meaningful way owing to their implicit commitment to the rationalist separation of economics from other areas of life that was instituted behind disciplinary boundaries in the post-*Methodenstreit* period.

I also point out a further common feature shared between these ostensibly disparate approaches: the pervasive influence of Smith and James, whose ideas are interpreted by these theorists via figures such as Menger, Mead, John Dewey, Thorstein Veblen,

Herbert Simon, and Charles S. Peirce. As I suggest, despite representing a distortion of Smith's and James's thought, this highlights the ongoing importance of their insights to contemporary social science. As such, my discussion also demonstrates the importance of the provision of an accurate appraisal of their thought.

This approach also facilitates the intellectual and historical contextualisation of IPE. This also highlights its ability to transcend post-disciplinary methodological barriers, and therefore to employ a non-reductive account of agency. I explore this likelihood in the conclusion to the thesis. Here, I suggest that IPE theorists are unaware of their subject field's intellectual roots, a view that is shared by Roger Tooze and Craig Murphy (1991), who point to IPE's origins in the work of Adam Smith. As I suggest, however, Tooze and Murphy (1996) attribute to Smith an interventionism that he does not advocate. I argue that this is significant since their notion of "ameliorative epistemology" demonstrates that a complex account of the self is necessary in order to address the current marginalisation of the poor in contemporary IPE.

Despite pointing out the need for such an account of the self, Tooze and Murphy neglect to explain how this might be achieved. I suggest that this failure is reflected by Hobson and Seabrooke (2007a; 2007b), who attempt to provide a "bottom-up" approach to policy formation in their notion of "everyday IPE". As I explain, Hobson and Seabrooke employ this concept in order to attempt to overcome the universalism that they correctly identify in the subject field. However, they fail to explicate how agency is formed beyond social norms and conventions. As I argue, this latest failure to address the problem of agency in IPE is typical of other efforts that I analyse in this thesis that demonstrate an implicit acceptance of the post-*Methodenstreit* rationalist split.

As I also argue, this again demonstrates the intellectual space that exists within IPE for a more sophisticated account of the self than is currently granted by neoclassical economics. As I argue here, this can be provided by the seminal contributions of Smith and James, who, as I observe, demonstrated the importance of everyday knowledge before such a divide was institutionalised. This reflects both figures' commitment to self-determination, which, I argue, can supply critical IPE with an alternative to top-down interventionism whilst providing the subject field with a complex concept of the self.

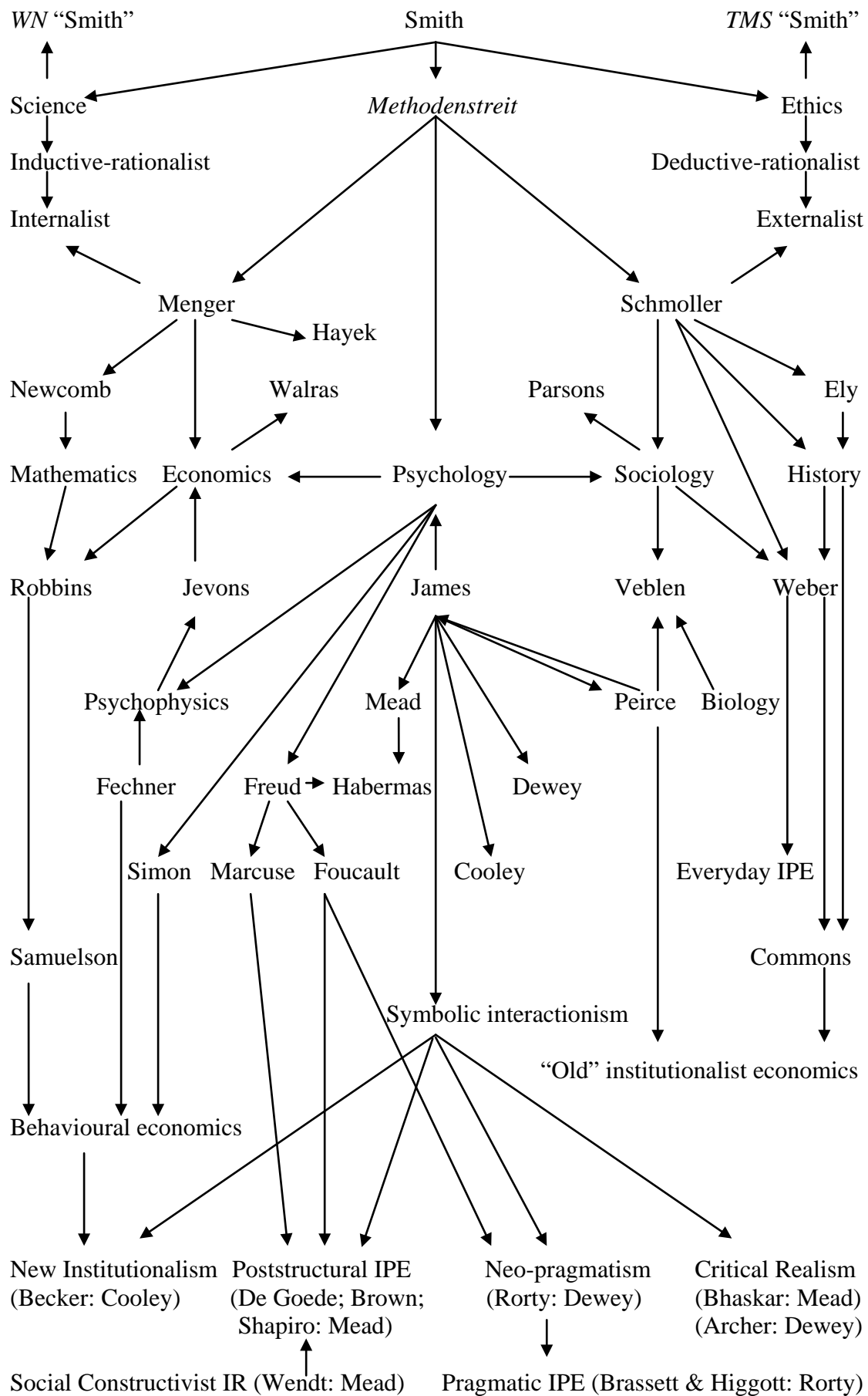
Fig. 1: Overview of the secondary debate on Smith

Year	Author	Are <i>WN</i> and <i>TMS</i> inconsistent?	Is <i>TMS</i> important?	Is <i>Das Adam Smith Problem</i> important?	Is Smith a <i>laissez-faire</i> theorist?	Is Smith an equilibrium theorist?	Does Smith obscure his views?	Is the invisible hand theological?
1790	Du Pont	Yes	No	-	Yes	-	Yes	No
1793	Stewart	No	Yes	-	Maybe	-	Yes	No
1848	Hildebrand	Yes	Yes	Yes	Yes	-	No	No
1850	McCulloch	Yes	No	Yes	Yes	-	No	No
1878	Skarżyński	Yes	No	Yes	Yes	-	No	No
1889	Zeyss	No	Yes	No	No	-	No	No
1896	Cannan	No	Yes	No	Yes	-	No	No
1897	Oncken	No	Yes	No	No	-	No	No
1907	Schmoller	Yes	No	Yes	Yes	-	No	Yes
1928	Viner	Yes	No	Yes	No	-	No	Yes
1928	Morrow	No	Yes	No	Yes	-	No	No
1932	Robbins	Yes	No	Yes	Yes	Yes	No	No
1940	Bittermann	No	Yes	No	No	No	Maybe	Maybe
1952	Samuelson	Yes	No	Yes	Yes	Yes	No	No
1954	Schumpeter	No	No	No	Yes	Yes	No	No
1967	Macfie	No	Yes	No	No	No	No	No
1973	Hollander	No	Yes	No	Maybe	Yes	No	No
1976	Raphael & Macfie	No	Yes	No	No	No	No	No
1976	Stigler	Yes	No	No	Yes	Yes	No	No
1976	Campbell & Skinner	No	Yes	No	No	No	No	No
1980	Friedman	Yes	No	No	Yes	Yes	No	No
1981	Teichgraber	No	Yes	Yes	No	No	No	No
1997	Winch	No	Yes	No	No	No	No	No
1999	Griswold	No	Yes	Yes	No	No	No	No
1999	Peil	No	Yes	No	No	No	No	No
2000	Otteson	No	Yes	Yes	No	No	No	No
2001	Rothschild	No	Yes	No	No	No	Yes	No
2002	Hill	No	Yes	No	No	No	Yes	Yes
2004	Fleischacker	No	Yes	No	No	No	Yes	No
2004	Montes	No	Yes	Yes	No	No	Yes	No
2006	Haakonssen & Winch	No	Yes	Yes	No	No	No	No
2009	Watson	No	Yes	Yes	No	No	No	No

Fig 2: Some differences in Scottish Enlightenment thought

Author	Methodology	Motivation	Justice	Civic humanist?	Moral sense?	Ontology
Hutcheson (e.g., 1725)	Historical	Benevolence/ Utility	Positive	Yes	Yes	Foundationalist
Hume (e.g., 1739)	Historical	Utility	Negative	No	No	Non-foundationalist
Turnbull (e.g., 1740)	Non-historical	God's will	Positive	Yes	No	Foundationalist
Kames (e.g., 1751)	Historical	God's will	Positive	Yes	No	Foundationalist
Ferguson (e.g., 1767)	Historical	God's will	Positive	Yes	No	Foundationalist
Smith (e.g., 1776)	Historical	Sympathy	Negative	No	No	Non-foundationalist
Millar (e.g., 1787)	Historical	God's will	Positive	Yes	No	Foundationalist
Reid (e.g., 1788)	Non-historical	God's will	Positive	Yes	No	Foundationalist
Stewart (e.g., 1793)	Non-historical	God's will	Positive	Yes	No	Foundationalist

Fig.3: Smith's and James's influence on the social sciences





## **CHAPTER ONE: SMITH AND THE SECONDARY DEBATE**

## 1a) Introduction

For to what purpose is all the toil and trouble of this world? ...Is it to supply the necessities of nature? The wages of the meanest labourer can supply them ...From whence, then, arises that emulation which runs through all the different ranks of men, and what are the advantages which we propose by that great purpose of life that we call bettering our condition? To be observed, to be attended to, to be taken notice of with sympathy, complacency, and approbation, are all the advantages which we can derive from it (Smith 1976 [1790], I.iii.2.1).

In *TMS* (1759),<sup>4</sup> Adam Smith observes that an individual's drive to better her condition arises from her needs as a social being. In *WN* (1776),<sup>5</sup> Smith points out the connected nature of the economy, relating national prosperity to individual behaviour. In heterodox accounts, these books are viewed as different sections of a consistent system of thought. By contrast, two incompatible "Smiths" are implied in orthodox readings, based on an assumed inconsistency between the two books: Smith the liberal economist of *WN*, which is emphasised, and Smith the moral philosopher of *TMS*, which is disparaged or ignored. However, these assumptions are rarely rendered explicit. A consequence of this is the reproduction of two "Adam Smiths" across the social sciences, as scholars attracted to his insights from different fields subsequently engage with either "Smith" via canonical disciplinary texts or through specific points in the secondary debate. In order to address this important trend, I attempt in this chapter to assess the development of key arguments within orthodox and heterodox approaches so as to identify the intellectual basis of contemporary views on Smith.

In 1.1.1-2, I provide a brief outline of *WN* and *TMS*, and reflect upon their connected nature. In 1.2.1-4, I assess mainstream interpretations of Smith, focussing in particular on these authors' views regarding the assumed meaning of his "invisible hand"

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<sup>4</sup> The first edition of *TMS* was published in 1759. All references to the book in this thesis are however made to the sixth and final edition (1790), published by Oxford University Press in 1976 as Volume I of the Glasgow Edition of the Works and Correspondence of Adam Smith.

<sup>5</sup> All references made to *WN* in the text are to Volume II of the Glasgow Edition of the Works and Correspondence of Adam Smith, published by Oxford University Press in 1976.

metaphor, his attitude towards self-interest, and the *Adam Smith Problem*. A similar approach is taken in 1.3.1-3 in terms of developments within the heterodox debate, where contemporary arguments regarding Smith's supposed obfuscation of his views and his alleged theological leanings are discussed with reference to earlier positions in the debate.

In this chapter I therefore aim to emphasise the complex and interconnected nature of the secondary debate on Smith's thought, the inaccuracy of orthodox interpretations of it, and the limited extent of the heterodox consensus and its influence on popular conceptions of his work. In conclusion, I argue that a thoroughly holistic approach facilitates a focus upon recurring themes in Smith's work, and that this is preferable to certain heterodox authors' attempts aimed at "correcting" mainstream interpretations of it. This is consistent with the approach taken in subsequent chapters, in which the influences on Smith's thought and its influence upon the social sciences, in particular IPE, are examined.

## Part One: Smith's books: an outline

### 1.1.1) *The Wealth of Nations*

In *WN*, Smith inquires into the development and workings of the co-ordinated market system in eighteenth century Britain. In Book I, he observes that a domestic division of labour increases productivity, the principal factor affecting growth, and suggests that this develops from individuals' natural predisposition to "...truck, barter and exchange one thing for another" (Smith 1976 [1776], I.ii.1). Smith also suggests that such activity is optimised within a framework of natural liberty, a view that perhaps contributes to his enduring reputation as a dogmatic advocate of the merits of self-interested behaviour and free market economics.

Certainly, Smith assumes average rates of wages, profit, and rent in order to determine the "natural" price of a commodity, "...to which the prices of all commodities are continually gravitating". He contrasts this to the "market" price, which he defines as that regulated by "...the proportion between the quantity which is actually brought to the market, and the demand of those who are willing to pay the natural price of the commodity" (Smith 1976 [1776], I.vii.8-15; Fleischacker 2004: 17-18; Lavezzi 2003: 83). Smith also suggests that the balance between the supply of, and demand for, labour determines wages, and highlights the uneven bargaining power facilitated by legislation:

The workmen desire to get as much, the masters to give as little as possible. The former are disposed to combine in order to raise, the latter in order to lower the wages of labour...It is not, however, difficult to foresee which of the two parties must, upon all ordinary occasions, have the advantage in the dispute, and force the other into a compliance with their terms. The masters, being fewer in number, can combine much more easily; and the law, besides, authorizes, or at least does not prohibit their combinations...(Smith 1976 [1776], I.viii.11-12).

This point is developed in Book I, Chapter x, where Smith expresses his antipathy towards the “spirit of corporation”:

People of the same trade seldom meet together, even for merriment and diversion, but the conversation ends in a conspiracy against the publick, or in some contrivance to raise prices. It is impossible indeed to prevent such meetings, by any law which either could be executed, or would be consistent with liberty and justice. But though the law cannot hinder people of the same trade from sometimes assembling together, it ought to do nothing to facilitate such assemblies; much less to render them necessary.

The pretence that corporations are necessary for the better government of the trade, is without any foundation. The real and effectual discipline which is exercised over a workman, is not that of his corporation, but that of his customers. It is the fear of losing their employment which restrains his frauds and corrects his negligence (*Ibid*, I.x.c.27; 31).

Smith also criticises the poor laws’ effect upon the “free circulation of labour” and its attendant contribution to needless poverty here (*Ibid*, I.x.c.45). Indeed, this opposition to regulations that obstruct the welfare of the “great body of the people” is reflected throughout the latter part of *WN*, for example in Book IV, where he attacks the “absurd” trade restrictions imposed in the interests of mercantilist traders, and in Book V, where he observes that the working patterns associated with material progress can have deleterious consequences for the mental well being of the workers (*Ibid*, V.i.f.50). This is not to suggest, however, that Smith is engaging in political rhetoric regarding the rights of the poor, or indeed the evils of regulation. Rather, he considers it to be readily evident that:

[i]n every country it always is and must be the interest of the great body of the people to buy whatever they want of those who sell it cheapest. The proposition is so very manifest, that it seems ridiculous to take any pains to prove it; nor could it ever have been called in question, had not the interested sophistry of merchants and manufacturers confounded the common sense of mankind (*Ibid*, IV.iii.2.2-10).

It is therefore interesting to consider that economists such as Joseph Schumpeter choose to ignore these aspects of Smith's work. Indeed, despite pointing out that Books IV and V account for over half of *WN*, Schumpeter dismisses them as treatises on economic history and policy (Schumpeter 1994 [1954]: 186, footnote 17; 141). Echoing Edwin Cannan (1994 [1904]: xxxix), Schumpeter directs attention to the supposed influence of the French Physiocrats on Smith's theory of distribution in Book II of *WN* (Schumpeter 1994 [1954]: 190). To be sure, the Physiocratic model influences Smith here insofar as it allows him to develop a descriptive and analytic conceptualisation of the economic system, as Andrew Skinner points out (Skinner 2003: 104). However, this does not imply that Smith is similarly influenced by their doctrinaire opposition to governmental intervention, as is commonly supposed.<sup>6</sup> Instead, he relates economic growth to individuals' self-command and the natural propensity for the improvement of their material condition:

[P]rivate frugality and good conduct of individuals by their universal, continual, and uninterrupted effort to better their own condition...protected by law and allowed by liberty to exert itself [capital] in the manner that is most advantageous...has maintained the progress of England towards opulence and improvement in all former times, and which, it is to be hoped, will do so in all future times (Smith 1976 [1776], II.iii.36).<sup>7</sup>

This advocacy of self-determination facilitated by a framework of natural liberty is echoed in Book III, where Smith discusses the "natural progress of opulence", in which "...the greater part of the capital of every growing society is, first, directed to agriculture, afterwards to manufactures, and last of all to foreign commerce". Here, he

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<sup>6</sup> Indeed, as William Caldwell points out, Smith "...came by the idea of the necessity of a scheme of distribution from the Physiocrats, but his own philosophy of the production of wealth was already too far worked out to be altogether changed". As such, he criticises those that claim that Smith's "...whole doctrine of free enterprise and the natural creation and increase of wealth is simply the *laissez-faire*, 'state of nature' philosophy of French eighteenth century writers" (Caldwell 1897: 244-256 [italics in original]).

<sup>7</sup> As Roy Campbell and Andrew Skinner point out, Smith observes that the natural desire to improve one's material condition ensures that individuals save part of their income, which enables some individuals to purchase items of fixed and circulating capital. This leads to higher levels of output and income, which facilitates greater levels of savings and investment, thereby continuing a self-generating process (Campbell and Skinner intro to Smith 1976 [1776]: 30; Campbell and Skinner 1982: 172-179).

notes that “...in all the modern states of Europe” this has been “entirely inverted” into an “unnatural and retrograde order” (*Ibid*, III.i.8-9). Despite the apparent influence of the Physiocrats here, Smith evidently does not share their commitment to *laissez-faire* policy, as authors such as Schumpeter (e.g., 1994 [1954]: 184-186) erroneously claim.

Indeed, it is plainly hostility to legislation that confers unfair advantages rather than doctrinaire opposition to governmental intervention *per se* that characterises Smith’s views here. This theme of fairness is also evident in *TMS*, in which standards of virtue are defined in terms of natural justice.<sup>8</sup> This balance between autonomy and justice is perhaps expressed most succinctly in the introduction to Book IV of *WN*, where Smith states that political economy is “...considered as a branch of the science of a statesman or legislator, to provide a plentiful revenue or subsistence for the people, or more properly to enable them to provide such a revenue or subsistence for themselves” (*Ibid*, IV.intro.1).<sup>9</sup> According to Donald Winch, despite the self-determining features of such a view, this:

...continues to disconcert historians of economic thought. It suggests a form of statecraft that seems to belie the very nature of the *Wealth of Nations*, whether seen, anachronistically, as a contribution to ‘positive’ economics, or as a critique of contemporary economic policies from a position that later became known as economic liberalism (Winch 1983b: 501).

In spite of the burgeoning heterodox literature to which Winch contributes, Smith continues to be associated with the classical liberal tradition associated with John Stuart Mill, in which it is suggested that: “[*l*]aissez-faire...should be the general practice...” (Mill 1909 [1871]: 950 [italics in original]). Arguably, Smith’s intricate observations regarding the role of government and the benefits of a system of natural

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<sup>8</sup> See, for examples, Smith 1976 (1790), II.ii.2.1; III.i.2; III.vi.10.

<sup>9</sup> As Campbell and Skinner point out, this “...is very much a part of his [Smith’s] general model” (Campbell and Skinner, intro to Smith 1976 [1776]: 36; See also Kennedy 2005: 145).

liberty are understood more clearly in terms of self-determination and self-command, themes that are reflected throughout *TMS*.



### 1.1.2) *The Theory of Moral Sentiments*

As in *WN*, Smith employs a historical methodology in *TMS* in order to inquire into the nature of social interaction. Here, this is related specifically to a discussion of the nature of virtue, which is made via his central concept, that of sympathy. As he explains in Part I of *TMS*, this involves “...changing places in fancy with the sufferer”. Smith is careful to distinguish this from mere pity or compassion (Smith 1976 [1790], I.i.1.1-3), suggesting instead that we sympathise if we can “enter into” the motives of the agent, and thus are able to accurately “go along with” the resentment of the sufferer of an injustice or the gratitude of the recipient of good fortune.<sup>10</sup>

According to Smith, we naturally desire the sympathy and approbation of others. It is for this reason, he suggests, that “...we make parade of our riches, and conceal our poverty” (*Ibid*, I.iii.2.1). He also observes, however, that, as wealth comes to be considered a principal object of admiration in the commercial stage of society, virtue is potentially deprived its value in acquiring this approbation. As such, he notes that the ability to sympathise with others’ motives may be similarly impaired. Smith solves this problem by developing the argument that we judge of others in the same way in which we judge ourselves, supposing ourselves the impartial spectators of our own behaviour:

I divide myself into two persons...the first is the spectator, whose sentiments with regard to my own conduct I endeavour to enter into...The second is the agent, the person whom I properly call myself...The first is the judge; the second the person judged of (*Ibid*, I.iii.3.6).

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<sup>10</sup> As discussed in 2.1.3, Smith is therefore able to move beyond previous views such as those held by David Hume (e.g., 1896 [1739]), for whom sympathy is conceptualised as a “contagion” of sentiments (Ross 1995: 164).

Smith suggests that it is via one's impartial spectator rather than state or sectional intervention through which individuals are able to judge the propriety of their own and others' conduct, by way of: "...the tribunal of their own consciences...the man within the breast, the great judge and arbiter of their conduct" (*Ibid*, III.ii.32). This theme of self-determination recurs throughout *TMS*, such as in Part II, where Smith explains the natural jurisprudential foundations of individual and social sympathy. Rejecting accounts that suggest that justice is determined by considerations of utility, he argues instead that the ability to sympathise with others' motives ensures that justice is served:

All the members of human society stand in need of each others assistance, and are likewise exposed to mutual injuries...Society...cannot subsist among those who are at all times ready to hurt and injure one another...the prevalence of injustice must utterly destroy it (*Ibid*, II.ii.3.1; II.ii.3.3; See also *Ibid*, II.ii.2.1; III.ii.6; VII.ii.1.7).

As he explains, recognition of this is facilitated by one's relationship to one's impartial spectator. As such, although Smith is clear that the moral sentiments are formed within society, he does not give an overly structural account of virtue. Indeed, he notes in Part II that virtuous motives that gain the sympathy of the "man within the breast" but that go unnoticed by others retain their just character. Smith explains that it is at these times that individuals are supported by their relationship with their "impartial and well-informed spectator" in their efforts to regard themselves "...not in the light in which he at present appears [to others], but in that in which he ought to appear, in which he would have appeared had his generous designs been crowned with success" (*Ibid*, II.iii.3.6). To be sure, against Bernard Mandeville (e.g., 1705), for whom outwardly virtuous behaviour can effectively conceal a selfish disposition, Smith explains in Book III that, in addition to their desire for praise from their fellows, individuals yearn for genuine praiseworthiness:

The love and admiration which we naturally conceive for those whose character and conduct we approve of, necessarily dispose us to desire to become ourselves the objects of the like agreeable sentiments, and to be as amiable and as admirable as those whom we love and admire the most. Emulation, the anxious desire that we ourselves should excel, is originally founded in our admiration of the excellence of others. Neither can we be satisfied with being merely admired for what other people are admired. We must at least believe ourselves to be admirable for what they are admirable. But, in order to attain this satisfaction, we must become the impartial spectators of our own character and conduct. We must endeavour to view them with the eyes of other people, or as other people are likely to view them. ...Their approbation necessarily confirms our own self-approbation (*Ibid*, III.ii.3).

As Smith suggests in Part IV, each individual - including those whose virtue goes unrecognised beyond their own impartial spectator - contributes to the harmony and progress of society. This includes those whose efforts are directed primarily at gaining the approbation of others through social display. This is evident in his discussion of the "...poor man's son, whom heaven in its anger has visited with ambition..." who seeks to emulate the happiness and contentment he imagines the rich enjoy:

Through the whole of his life he pursues the idea of a certain artificial and elegant repose which he may never arrive at, for which he sacrifices a real tranquillity that is at all times in his power...It is then, in the last dregs of life... that he begins at last to find that wealth and greatness are mere trinkets of frivolous utility, no more adapted for procuring ease of body or tranquillity of mind than the tweezer-cases of the lover of toys (*Ibid*, IV.i.8).

However, Smith does not disparage such individuals' longing for social status. Rather, he suggests that: "...it is well that nature imposes upon us in this manner. It is this deception which rouses and keeps in continual motion the industry of mankind" (*Ibid*, IV.i.10).

Smith again refers to this deception in *WN*, where he notes that the "...uniform, constant, and uninterrupted effort of every man to better his condition" subsequently creates new social bonds with those outside of one's immediate circles via the

increased commercial activity such an effort prompts (Smith 1976 [1776], II.iii.31). This process facilitates deeper imaginative reflection upon others' motives, thereby increasing one's sympathetic abilities, through which tranquillity - or real happiness - is found (Smith 1976 [1790], I.i.3.10).<sup>11</sup> The role of the imagination is again referred to in Part V of *TMS*, where Smith discusses the relationship between contextually- and universally-observed standards of morality:

The principles of the imagination, upon which our sense of beauty depends...may easily be altered by habit and education: but the sentiments of moral approbation and disapprobation, are founded on the strongest and most vigorous passions of human nature; and though they may be somewhat warped, cannot be entirely perverted (*Ibid*, V.ii.1).

Smith thus retains moral agency for the individual whilst avoiding a relativistic conceptualisation of morality. This is also evident in Part VI of *TMS*, where he relates sympathy to self-command, from which, he argues: "...all the other virtues seem to derive their principal lustre" (*Ibid*, VI.iii.11), and which promotes the harmony of society more effectively than positive systems of law, which he criticises in Part VII:

Sometimes what is called the constitution of the state, that is, the interest of the government; sometimes the interest of particular orders of men who tyrannize the government, warp the positive laws of the country from what natural justice would prescribe (*Ibid*, VII.iv.36).<sup>12</sup>

This antipathy to such "warping" of the moral sentiments is also echoed in Smith's opposition to "men of system" in Book VI, who he argues seek to impose their standards of right and wrong on the populace. As discussed in 2.3.1, Smith's view is in contrast to civic humanist arguments that suggest positive interventions in order to

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<sup>11</sup> See Smith 1976 (1776), I.i.10; Smith 1976 (1790), II.ii.2.1-4; IV.i.9 Bonar 1922: 169; Campbell and Skinner 1982: 105; Fleischacker 2004: 115; Frantz 2000: 14; Morrow 1928: 173; Verburg 2000: 37

<sup>12</sup> As such, he argues: "The two useful parts of moral philosophy, therefore, are Ethics and Jurisprudence: casuistry ought to be rejected altogether" (Smith 1976 [1790], VII.iv.34). In this Part, Smith also discusses the systems of moral philosophy of the Peripatetics and Ancient Stoics (*Ibid*, VII.ii.1-2) and the views of Thomas Hobbes (*Ibid*, VII.iii.1-2), Francis Hutcheson (*Ibid*, VII.ii.3; VII.iii.3) and Mandeville (*Ibid*, VII.ii.4), whose explanations of virtue and approbation he rejects.

combat the alleged incommensurability of commerce and virtue, which reflects the opposition to institutional distortions of natural liberty that is a feature of *WN*. As such, a holistic approach to his *oeuvre* suggests that whenever Smith addresses a certain aspect of life, for example economic activity, he does so without isolating that particular sphere from its wider social context, or indeed from other elements of his thought. However, as Leonidas Montes notes:

The widespread failure of most modern economists to appreciate this has led...to a biased conception of Adam Smith as the prophet of self-interest and the forebear of neoclassical economics (Montes 2004: 2).

The development of such a view is discussed in the next Part of this chapter.

## Part Two: Orthodox interpretations

### 1.2.1) Smith, Schumpeter and Walras

According to Jan Peil (1999: 7), the publication of the Glasgow Edition of Smith's works and correspondence between 1976 and 1987 marked a new phase in Smithian scholarship, in which orthodox interpretations based on selective readings of his work began to be effectively challenged. However, the impact of these arguments upon mainstream characterisations of Smith's views has been minimal. As noted, Smith's popular reputation is that of a dogmatic advocate of self-interest and free trade. As Keith Tribe (1999: 609) explains: "[t]his long-established tradition of interpretation was reinforced during the 1980s, Adam Smith's name being invoked on both sides of the Atlantic by neo-liberal policymakers". More recently, Gordon Brown has echoed this view, despite claiming to have "rescued" Smith from the Hayekian Adam Smith Institute (Glaze 2008: 377). The continued dominance of this characterisation is arguably reflected by press coverage of the Bank of England's March 2007 decision to place Smith on the British £20 note, in which he is mistakenly depicted as the founding father of capitalism, competition and libertarianism.<sup>13</sup> However, this misinterpretation is not restricted to politicians and the mainstream media. Despite the conflation of economic and political liberalism occurring a number of years after Smith's death, he is routinely referred to as an "economic liberal" in its contemporary sense in social science textbooks as well as in academic discourse more broadly (Tribe 1999: 609, footnote 3; Watson 2007: 30-36; Cohen 2008: 147). These erroneous characterisations are informed by orthodox economists' selective approach to Smith's work. As Montes (2004:13) argues:

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<sup>13</sup> See, for example, *BBC* (online), 21/02/07 ("The economist is most famous for his book the *Wealth of Nations*, which many regard as almost inventing the concept of competition and market forces".); *The Daily Telegraph* (online), 31/10/07 ("Who better for the £20 note than the patron saint of the free market, Adam Smith?"); *The Daily Mirror* (online) 31/10/2006 ("Adam Smith...helped to create the modern academic discipline of economics and argued for free trade, capitalism, and libertarianism".)

Mainstream economists sometimes quote one or two sentences of Smith, usually out of context, in order to give their findings greater prestige...there is also a generalised view among economists that Smith is the forebear, if not the founder, of general economic equilibrium theory.

As Knud Haakonssen and Donald Winch (2006: 373) point out, this enables orthodox theorists to characterise Smith's central intention as attempting to discover:

“...under what market conditions does the ‘invisible hand’ generate the most efficient allocation of a society's scarce resources on the basis of decisions made by individual economic agents...?” ...From this perspective it is possible to regard Smith as foreshadowing one of the central problems of economics, while recognising that his intuitions left much to be repaired by more sophisticated generations. Joseph Schumpeter set the patronising tone when discussing Smith's pioneering efforts in this field.<sup>14</sup>

Schumpeter ostensibly advocates a holistic approach to Smith's *oeuvre*. However, despite stating that: “...both the *Moral Sentiments* and the *Wealth of Nations* are blocks cut out from a larger systematic whole”, he regards reading the first two books of *WN* as sufficient to understanding Smith's contribution to economic analysis, in particular: “[t]he rudimentary equilibrium theory of [Book I] chapter 7, by far the best piece of economic theory turned out by Adam Smith...[which] points towards Say, and through the latter's work to Walras” (Schumpeter 1994 [1954]: 141; 189).<sup>15</sup>

Schumpeter also places Smith in the Pufendorfian natural law tradition in order to emphasise his alleged political liberalism. However, a truly holistic approach to Smith's *oeuvre* undermines this connection, as Peil (1999: 41-52) suggests. Indeed, Smith explicitly distances himself from Pufendorf's rationalistic and atomistic interpretation of individuals in *TMS* (See Smith 1976 [1790], VII.iii.1-4). Despite this,

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<sup>14</sup> According to Schumpeter, Smith's “...limitations made for success. Had he been more brilliant, he would not have been taken so seriously. Had he dug more deeply, had he unearthed more recondite truth, had he used difficult and ingenious methods, he would not have been understood” (Schumpeter 1994 [1954]: 185).

<sup>15</sup> As Winch (1997: 391) points out, this conflation is problematic, as, whereas for Léon Say, “...entrepreneurship has a separate function and reward, Smithian entrepreneurs are indistinguishable from those who receive interest and/or profit on their invested capital”.

Schumpeter's interpretation is influential upon contemporary economists' impressions of Smith's thought, which is dependent upon the neoclassical assumption regarding the feasibility - and desirability - of the separation of economics and philosophy:

I hold that the garb of philosophy is removable ... in the case of economics: economics has not been shaped at any time by the philosophical opinions that economists happened to have, though it has frequently been vitiated by their political attitudes (*Ibid*, 31-32).<sup>16</sup>

This view - which echoes the influence of marginalist economists Léon Walras (e.g., 1874), William Stanley Jevons (e.g., 1871) and Carl Menger (e.g., 1871) - informs the common tendency to focus exclusively on the “scientific” *WN* at the expense of the “philosophical” *TMS* (see 4.1.1). This is reflected in Michael Fry's (1992) *Adam Smith's Legacy: His Place in the Development of Modern Economics*, an edited collection to which ten laureates of The Sveriges Riksbank [Bank of Sweden] Prize in Economic Sciences in Memory of Alfred Nobel contribute essays.<sup>17</sup> As Athol Fitzgibbons (1995: 170-171) points out, the book contains indications from some of the authors that they are wholly unfamiliar with *TMS*. In addition, most of the references are drawn from the same sections of *WN*, where Smith's commitment to free markets and advocacy of selfish behaviour is alleged to reside.

This selective approach arguably reflects that of Walras, who, according to Schumpeter (1951: 95) is “...the greatest of all theorists”. Like Schumpeter, Walras praises Smith whilst “correcting” his views in his *Elements of Pure Economics*

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<sup>16</sup> According to Daniel Hausman (1992: 272): “Neoclassical economics is the articulation, elaboration, and the application of equilibrium theory...Equilibrium theory consists of the theory of consumer choice, the theory of the firm, and the thesis that equilibrium obtains” (Hausman, D. M. [1992] *The Inexact and Separate Science of Economics*. Cambridge and New York: Cambridge University Press, cited in Backhouse 1995: 114). It is important to note, however, that the term “neoclassical economics” is contentious. See, for examples, Colander (2000); Garnett (2005); Arnsperger and Varoufakis (2006).

<sup>17</sup> London: Routledge. The laureates are: Paul Samuelson, Laurence Klein, Maurice Allais, Richard Stone, Franco Modigliani, James Buchanan, James Tobin, Theodore W. Schultz, Wassily Leontief and Jan Tinbergen.



(1874). Walras' main attack on Smith is arguably typical of orthodox accounts as it is concerned with the latter's alleged theory of value, gleaned from comments in Book I, chapter v of *WN*, in which Smith states: "The real price of every thing, what every thing really costs to the man who wants to acquire it, is the toil and trouble of acquiring it" (Smith 1976 [1776], I.v.2). According to William Jaffé, Walras interprets this as conclusive proof that Smith's view is that labour alone has value, and contrasts this to his notion of "rareté", the analytical tool of marginal utility, which Walras argues is the ultimate standard of a correct theory of value (Jaffé 1977: 24-26; Bernstein 2003: 15-16). As Jaffé explains, it is this that enables Walras to presume that he can successfully reject Smith's commitment to a labour theory of value:

...why is labour worth anything? Why is it exchangeable? That is the question before us. Adam Smith neither asked nor answered it. Surely, if labour has value and is exchangeable, it is because it is scarce. Value therefore comes from scarcity. If there are things other than labour which are scarce, they, like labour, will also have value and be exchangeable. So the theory which traces the origin of value to labour is a theory that is completely devoid of meaning (Walras 1977 [1894], cited in Jaffé 1977: 23).

However, in order to reach this conclusion, it is necessary for Walras to focus upon a particular sentence in *WN*, such as that cited above, whilst ignoring comments made only two paragraphs later, in which Smith states:

But though labour be the real measure of the exchangeable value of all commodities, it is not that by which their value is commonly estimated...it is not easy to find any accurate measure either of hardship or ingenuity. In exchanging indeed the different productions of different sorts of labour for one another, some allowance is commonly made for both. It is adjusted, however, not by any accurate measure, but by the higgling and bargaining of the market, according to that sort of rough equality which, though not exact, is sufficient for carrying on the business of common life (Smith 1976 [1776], I.v.4).

As such, Smith does not trace the origin of value to labour. Consequently, Walras merely succeeds in demolishing a caricature of Smith's theory, as Jaffé points out.<sup>18</sup>

As Matthew Watson (2005: 170) explains, Walras' attempt to derive a theory of pure economics also relies upon an understanding of exchange and competition as the effects of action and reaction by abstract, atomistic individuals, a view shared by other authors that engage in selective readings of Smith's work. As noted in 1.1.2, however, Smith's discourse on sympathy as explicated in *TMS* is based upon an understanding of real individuals' conduct in ordinary life, a theme that is reflected in his treatment of economic behaviour in *WN*. It is therefore possible to argue from a holistic reading of Smith that it is unlikely that he would approve of the "scientific", systematic explanations of human behaviour as presented by Walras and repeated by neoclassical economists that are not indicated by actual experience (Peil 1999: 117-124).

This is evident in Smith's essay *The Principles which lead and direct Philosophical Enquiries; illustrated by The History of Astronomy*,<sup>19</sup> in which he explains that there is no essential difference between scientific research and learning through daily experience. Here, Smith again argues against "fixed" systems of thought (Smith 1980, *HoA*, II.2), a position that is reflected in his opposition to economic, religious and political dogma in *TMS* and in *WN*.<sup>20</sup> It is perhaps ironic, therefore, that Schumpeter (1994 [1954]: 182) argues that *HoA* is:

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<sup>18</sup> According to Jaffé: "...it is doubtful that Walras ever read *The Wealth of Nations* attentively...on the rare occasions that he cited Adam Smith...the quotations appear to be...drawn from references already made by others...[Walras was] an execrable historian" (Jaffé 1977: 23-24).

<sup>19</sup> Hereafter referred to as *HoA*.

<sup>20</sup> See Smith 1976 (1790), III.iii.43; V.ii.7; VI.ii.7; Smith 1976 (1776), V.iii.3.6; V.iii.3.25; V.iii.3.42; IV.ii.10; Weinstein 2006: 24-28; Griswold 1999: 296.

The pearl of the collection...Nobody, I venture to say can have an adequate idea of Smith's intellectual stature who does not know these essays. I also venture to say that, were it not for the undeniable fact, nobody would credit the author of the *Wealth of Nations* with the power to write them.

### 1.2.2) Smith, Samuelson and Newton

Despite this, Schumpeter's selective use of *WN* remains influential on mainstream approaches towards Smith, a position that is at least matched by Paul Samuelson. Like Schumpeter, Samuelson (1977: 42-49; 1992: 3; 1952: 61) attempts to excuse the weaknesses in Smith's alleged general equilibrium theorising, retains a selective approach to Smith, and is in agreement with Schumpeter's view regarding Walras's supposed superiority to Jevons and Menger.<sup>21</sup> However, Samuelson rejects Schumpeter's derisory opinion of Smith's economic analysis, and instead attempts to show that it can be accommodated within a "canonical" model of neo-classical growth theory.<sup>22</sup> As such, Samuelson accords Smith the title of "the prophet of laissez-faire", a view now perhaps as ubiquitous within mainstream economics as his textbook [*Economics*] in which this description appears (Samuelson 1973 [1948]: 840).<sup>23</sup>

As Montes argues, Samuelson's stance is based on an erroneous conflation of Smith with Walras, the architect of the "equilibrium system", and Newton, the discoverer of the "world system".<sup>24</sup> According to Montes, Samuelson is responsible for the widely held assumption that Smith's methodology carries forward Newton's "mechanical philosophy" and proclivity for mathematical modelling into modern mainstream economics. However, as he argues, it is impossible for Smith to emulate Newton's

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<sup>21</sup> Samuelson qualifies this last view, however. As he explains: "Jevons, Walras and Menger each independently arrived at the so-called 'theory of subjective value'". For Samuelson (1952: 61), however, Walras is the greatest of these theorists "...because of the key importance of the concept of general equilibrium itself".

<sup>22</sup> Persky 1989: 197; Haakonssen and Winch 2006: 373. According to Samuelson (1978: 1415): "Adam Smith, David Ricardo, Thomas Robert Malthus, and John Stuart Mill shared in common essentially one dynamic model of equilibrium, growth, and distribution".

<sup>23</sup> Samuelson's *Economics: An Introductory Analysis* is the most popular economics textbook of all time, having sold over four million copies through its eighteen editions (Gottesman, Ramrattan and Szenberg 2005). This has had a significant impact on the teaching of the subject. As Arjo Klamer, Dierdre McCloskey, and Stephen Ziliak (2007: 2) argue: "...most of today's [economics] textbooks teach Samuelsonianism pure and simple, period".

<sup>24</sup> Samuelson 1952: 61 cited in Montes 2003a: 723. This conflation may be indirectly influenced by Thomas Pownall, who considers *WN* to be a work of "moral Newtonianism" (see Governor Pownall's letter to Smith, 25<sup>th</sup> September 1776, in Smith 1987, Appendix A, pp.337-376).

*Philosophiae Naturalis Principia Mathematica* (1687). This is because “...human behaviour cannot be reduced to a mathematical order in Smith’s system as he did not recognise society as atomistic”. Moreover, as Montes (2004:13) explains, even if Smith does carry Newton forward, neither thinker has “...an atomistic-mechanistic view of the world in the tradition of neoclassical and later mainstream modern economics”. Nevertheless, as Montes points out:

Mainstream economists have ignored this situation, relying on too narrow a reading of Newton. As a consequence, Adam Smith’s rich, complex and broadly philosophical approach has been overshadowed by a biased and obsolete positivistic interpretation of the Newtonian method (Montes 2003a: 723-725; 732-733).<sup>25</sup>

The view that Smith is influenced by Newton is also apparent in heterodox interpretations of his work. Indeed, Roy Campbell and Andrew Skinner (1982: 84) claim that Smith’s description of society as “an immense machine” in *TMS* follows his preference, stated in his lectures, for the Newtonian over the Aristotelian method of scientific discovery, and his admiration of Newton’s presentation of nature as a coherent system in *HoA*.<sup>26</sup> Here, Smith applauds Newton’s “superior genius” in unifying Galileo’s laws of terrestrial motion with Kepler’s laws of celestial motion (Smith 1980 *HoA*, IV.67). According to Elias Khalil, however, the importance of these comments is overstated. Khalil points to the notes made by Smith’s literary executioners at the end of *HoA* in which they explain that they have chosen to exclude “some notes and Memorandums”. These notes explain that the essay:

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<sup>25</sup> According to Montes, it has become commonplace to label Smith a Newtonian whose methodology “...presupposed the view that society is a compound of independent individuals, i.e., an aggregate of Robinson Crusoes” (Freudenthal 1981: 135 cited in Montes 2003a: 733).

<sup>26</sup> “Elsewhere he [Smith] extended the analogy to the study of language, and to the plant and animal creation” (Campbell and Skinner 1982: 94). See Smith 1982 (1790), VII.iii.I.2; Smith 1980 *HoA*, IV.76; Smith 1985, ii.133–134.

...must be viewed, not as a History or Account of Sir Isaac Newton's Astronomy, but chiefly as an additional illustration of those Principles in the Human Mind which Mr. Smith has pointed out to be the universal motives of Philosophical Researches ('Note By The Editors' in Smith 1980 *HoA*, IV.67).

Moreover, although his contemporaries considered the Newtonian system to be beyond criticism, Smith suggests that no abstract system can ever be considered as the ultimate true standard by which to measure or predict human behaviour. Indeed, as Smith states, although he initially had "insensibly been drawn in" to write as if Newton's system was objectively true, "all philosophical systems" are "mere inventions of the imagination" (Smith 1980 *HoA*, IV.76). This commitment to the open-ended nature of philosophical, scientific, economic and moral development is a consistent theme in Smith's *oeuvre*, as is discussed in 3.3.1-2. As Montes (2003a: 743) claims: "[f]aith in reducing the complexities of economic behaviour to a mathematical model, inspired by mechanical philosophy, is simply inconsistent with Smith's broader project". Nevertheless, such a view continues to be reproduced in mainstream interpretations of Smith's thought. As Donald Winch explains:

...the underlying assumption is that the apparatus constructed upon the foundations laid by Walras and Pareto over the years provides the only language according to which Smith can be deemed to be speaking sense... and is consequently essential to Smith's standing as the pioneer spokesman for the superiority of any competitive market order over those in which many or most allocative decisions are made by the state (Winch 1997: 5-6).

This approach also reflects the views of partial equilibrium theorists Milton Friedman and George Stigler. For Friedman (1978: 7-8): "Smith's relevance to us is a function of the degree to which his arguments retain their validity, propositions advanced by Smith being directly applicable to, and testable against, modern issues". Similarly, for Stigler: "[w]e increase our confidence in the interpretation of an author by increasing the number of his main theoretical conclusions which we can deduce from (our interpretation of) his analytical system" (Stigler 1965: 448). It is perhaps ironic

therefore that their claims to Smith's supposedly central concerns rely upon a selective approach to his work. This appears to be even more contradictory when one considers that authors such as Friedman and Stigler also reflect Samuelson's (1977) attempt to "rehabilitate" Smith within such a framework.<sup>27</sup> Like Samuelson, Stigler attributes Smith's supposed mechanistic view of society and atomistic view of human agency to the influence of Newton:

His [Smith's] construct of the self-interest-seeking individual in a competitive environment is Newtonian in its universality. That we are today busily extending this construct into areas of economic and social behaviour to which Smith himself gave only unsystematic study is tribute to both the grandeur and the durability of his achievement (Stigler 1976: 1212).

As noted, this type of distortion of Smith's views is not atypical within mainstream economics. Yet it is contradicted by what he actually states, both in relation to Newton and in terms of the conception of the self in society that he employs throughout his *oeuvre*. Nevertheless, Stigler et al's perception that, as a pre-marginal utility author, Smith is somehow unscientific and therefore in need of clarification for current purposes is reflected by Stéphan Vincent-Lancrin (2003: 211), who also considers it appropriate to criticise and interpret Smith based upon contemporary interests and methods in economics: "Since Smith's text at times lacks clarity, it sometimes requires some uncertain gap filling".<sup>28</sup> However, this is entirely at odds with Smith's approach, as A. L. Macfie notes:

His [Smith's] aim was to present all the relevant facts critically. Modern writers start from a totally different angle...They aim at isolating one aspect of experience and breaking it down by analysis into its logical components. Thus the older type of writer is accused of 'inconsistencies,' and certainly these are to be found...To the modern method they represent failure. But to the philosopher they reflect the facts of our experience (Macfie 1955: 3).

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<sup>27</sup> See also Friedman 1970 (1953): 3-43.

<sup>28</sup> See also Hollander 1973: 13; O'Donnell 1990: 171-193.

This view is arguably echoed by Winch (1997: 393), who also disputes attempts made by orthodox theorists to “clarify” Smith’s thought. Winch criticizes Stigler for being “...disappointed to find a large number of instances in which Smith failed to follow through with rigorous Chicagoan logic when dealing with behaviour outside formal markets”,<sup>29</sup> castigates Samuelson for attempting to “Ricardianise” Smith regarding diminishing returns, and dismisses Paretian notions of a “pure theory of the invisible hand”, in which an optimality of resource allocation is deemed possible within a society based purely on self-interest (e.g., Hahn 1982).<sup>30</sup> Winch also points out that it is Smith’s view that wages would always tend towards subsistence levels as the population would increase due to greater prosperity, and that profit levels would decline in the long run, as an increase in stock would lead to an increase in the difficulty of profitably employing new capital, whereas rent would increase over time.<sup>31</sup> As such, Smith clearly does not present the economy as a perfectly self-regulating system.

Winch also challenges orthodox assumptions that Smith’s ontology presupposes an atomistic economic rationality. As he points out, in Book I of *WN*, Smith observes that: “In a decaying manufacture... many workmen, rather than quit their own trade, are contented with smaller wages” (Smith 1976 [1776], I.x.b.45). Thus, as Winch (1997: 390) argues, even when agents are less than perfectly informed, they do not act as utility-maximisers: “...nor does Smith treat these motives as aberrations from some rational norm... Rational economic man was a fiction invented by later economic thinkers...” In contrast to orthodox arguments that portray Smith as the “Creator of

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<sup>29</sup> See also Haakonssen and Winch (2006: 373-374), who point to other public choice theorists such as Gary Becker and James Buchanan as prominent exponents of Smith’s supposed central focus on self-interest as anticipating their approach.

<sup>30</sup> As Winch argues: “The pure theory provides a useful mental gymnasium for economists and a self-consistent agenda for dealing with the inevitable impurities of the real world” (Winch 1997: 393-399).

<sup>31</sup> See Smith 1976 (1776), I.ix.2; I.ix.10; I.xi.d.



General Equilibrium Theory” (Arrow and Hahn 1971: 2), for Winch (1997: 388),  
therefore:

Smith’s inadequacies as a general equilibrium theorist cannot be attributed to a lack of intellectual tools for the job...The much simpler answer is that Smith was not trying very hard to be a general equilibrium theorist.

### 1.2.3) The invisible hand, the butcher, the brewer and the baker

Despite the convincing nature of arguments such as those put forward by Macfie and Winch, the popular conceptualisation of Smith remains that of the supposed advocate of unrestrained trade within a self-regulating market. A recent example of this is given by Gwydion Williams (2000: 8), who argues: “Adam Smith built a model of a modern economy in the belief that it could only work if all transactions were all perfectly amoral and selfish in nature”. Such a view is often supported by the citation of one or two passages from *WN*. Usually, this includes the “invisible hand” metaphor, in which Smith states:

Every individual...generally, indeed, neither intends to promote the publick interest, nor knows how much he is promoting it...he intends only to his own gain, and he is in this, as in many other cases, led by an invisible hand to promote an end which was no part of his intention...By pursuing his own interest he frequently promotes that of the society more effectually than when he really intends to promote it (Smith 1976 [1776], IV.ii.9).

As noted, for Samuelson (1973 [1948]: 840), the metaphor refers to the efficient organization of society’s production based on self-interest under conditions of perfect competition. As Elias Khalil points out, the invisible hand is interpreted by followers of Friedrich von Hayek’s spontaneous order concept to represent unintended consequences, “...such as the advancement of the public good via the pursuit of private gain”. For these theorists, such as John R. Hicks (e.g., 1932), “...the invisible hand signifies the first welfare theorem, i.e., competitive equilibrium guarantees (under some strict conditions) Pareto optimality”.<sup>32</sup> Friedman and Friedman (1981: 5) conflate Smith’s invisible hand with his supposed dogmatic advocacy of free markets,

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<sup>32</sup> Khalil 2000: 49; See Hicks, J. R. 1932 ‘Marginal Productivity and the Principle of Variation’, *Economica*, 35: 79-88, in which he states: “It is one of the great advantages of the Lausanne analysis that in it the “individualistic” method, which has been described by Dr. Hayek as one of the greatest assets of neo-classical economics, is carried to its most complete fulfillment” (Hicks 1932: 84 cited in Aspromourgos 1986: 268).

which, they argue, is his “flash of genius”.<sup>33</sup> Abraham Hirsch and Neil de Marchi (1990: 280) argue that: “...the major paradigm Friedman uses for political economy is a slightly modified form of Smith’s “invisible hand” hypothesis”. However, it is not a “slightly modified” but an extremely simplified version of the “invisible hand” that Friedman employs as representative of Smith’s *oeuvre*, which is conflated with his supposed advocacy of self-interest. This approach is reflected by Stigler (1982: 147), who ignores *TMS*, and conceives of self-interest as the “crown jewel” of *WN*.

The dominance of these misinterpretations within mainstream economics is perhaps emphasised by the fact that, as with the authors in *Adam Smith’s Legacy*, Friedman, Hayek, Hicks, Samuelson and Stigler are economics Nobelists.<sup>34</sup> However, their views on Smith’s intended meaning behind the “invisible hand” are only plausible if one deliberately isolates the passage in which the metaphor appears from its immediate context. In addition, it is also necessary to discount large sections of *WN* in which Smith gives various accounts of the detrimental effects to society that unconstrained free trade and self-interest brings. For example, in Book II, Smith discusses the crisis in British banking stimulated by the irresponsible “projectors” (Smith 1976 [1776], II.ii); in Book V, he advocates that the Church pay its clergy less in order to remove their desire to better their own material condition (*Ibid*, V.i.g); and in the same passage as the “invisible hand” quote itself, Smith points to merchants’ false claims to trade “for the publick good” (*Ibid*, IV.ii.9). Rather than reflecting an ideological endorsement of *laissez-faire*, Smith’s “invisible hand” therefore forms

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<sup>33</sup> As Roger Mason notes: “...Hicks, Samuelson, and Friedman had developed consumer theories which explicitly discounted or rejected social interpretations of consumer demand, and which lent themselves to purely mathematical and econometric analyses” (Mason 2002: 94).

<sup>34</sup> Friedman was awarded the Prize for Macroeconomics in 1976; Hayek (1974) shared the Prize for Interdisciplinary Research with Gunnar Myrdal; Hicks (1972, with Kenneth J. Arrow) and Samuelson (1970) won the Prize for General Equilibrium Theory; and Stigler (1982) was awarded the Prize for Microeconomics.

part of a practical observation aimed at greater integrity and transparency in trade so that such negative effects upon the public can be eliminated.

This is readily apparent from a holistic approach. The first appearance of the phrase “the invisible hand” appears in *HoA* as the “invisible hand of Jupiter”, where Smith describes the tendency within “the lowest and most pusillanimous superstition” to attribute irregular natural phenomena to “the agency and power of their gods” (Smith 1980 *HoA*, III.2; Macfie 1971: 595-99). Smith discusses this in terms of the evolutionary nature of knowledge, a view that is consistent with his discussion of the development of morality within society in *TMS*. Here, Smith introduces the “invisible hand” in his discussion of landowners’ consumption. As he explains, the landowner cannot consume all that is produced on his land. Moreover, the landowner pays those that work for him, and, through his consumption of clothes and luxury goods, those that produce these goods. In this way, Smith demonstrates that landowners:

...are led by an invisible hand to make nearly the same distribution of the necessities of life, which would have been made, had the earth been divided into equal portions among all its inhabitants, and thus without intending it, without knowing it, advance the interest of the society, and afford means to the multiplication of the species (Smith 1976 [1790], IV.i.10).

The practical nature of this observation is arguably reflected in *WN*, where Smith employs the metaphor to demonstrate that individuals addressing themselves to their own interests are necessarily promoting those of others. According to Fleischacker, therefore, rather than representing proto-equilibrium theory, the invisible hand may be seen to represent a simpler point: that society grants individuals the opportunity to gain. As Fleischacker suggests:

[i]f this seems disappointingly obvious, that is partly because we expect too much of the invisible hand passage. Smith himself does not write the passage as if it offered particularly striking news (Fleischacker 2004: 140).

To be sure, Smith suggests in Book I of *WN* that justice is served when two individuals make a “fair and deliberate exchange” (Smith 1976 [1776], I.ii.2; See *Ibid*, II.ii.3.2-3). This is reiterated in Part I of *TMS*, where he notes that such interaction requires the ability to sympathise with each others’ motives in a just, impartial manner (See Smith 1976 [1790], VI.ii.1.15; *Ibid*, I.i.4.7). Arguably, this is related to his agreement with Cicero’s distinction between instrumental and true friendship, or *vulgares amicitiae* and *amicitia*, in *TMS*:

Among well-disposed people, the necessity or conveniency of mutual accommodation, very frequently produces a friendship not unlike that which takes place among those who are born to live in the same family...The Romans expressed this sort of attachment by the word *necessitudo*, which, from the etymology, seems to denote that it was imposed by the necessity of the situation (Smith 1976 [1790], VI.ii.1.15; Hill and McCarthy 2004: 8).

As such, Smith’s use of the invisible hand in both books is not an appeal for the advantages of selfishness or of benevolence, but is a pragmatic and philosophically informed observation regarding the benefits of co-operation. This is echoed in VII.ii.4 of *TMS*, as well as in *Lectures on Jurisprudence*,<sup>35</sup> where Smith explicitly links trucking to “...the naturall inclination every one has to persuade...That is bartering, by which they address themselves to the self interest of the person and seldom fail immediately to gain their end”. Here, Smith highlights the human capacity to persuade via observation of the behaviour of animals:

The brutes have no notion of this...They have no other way of gaining their end but by gaining ones favour by fawning and flattering. Men when necessitated do also, but generally apply to the stronger string of self-interest (Smith 1978 *LJ [A]*, vi.56).

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<sup>35</sup> Hereafter referred to as *LJ [A]* if relating to the notes from Smith’s lectures from 1762-1763, or *LJ [B]* if relating to the lecture notes from 1763-1764.

This argument is reiterated in *WN*, in the section in which Smith introduces his famous quote that: “[i]t 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” (Smith 1976 [1776], I.ii.2). As Henry Clark notes: “[t]his text has often been seen as evidence that the agents in Smith’s social theory were primarily self-regarding if not selfish, that self-interest rather than virtue informed and motivated them” (Clark 1992: 186-187). Arguing against such views, Fleischacker (1999: 170) suggests that, like the invisible hand metaphor, the passage is instead intended to demonstrate the necessity of both parties being able to address themselves to another’s interests. This view is granted support when one considers the discussion in which the sentence appears:

...nobody ever saw one animal by its gestures and natural cries signify to another, this is mine, that yours; I am willing to give this for that ... In almost every other race of animals each individual, when it is grown up to maturity, is intirely independent, and in its natural state has occasion for the assistance of no other living creature. But man has almost constant occasion for the help of his brethren, and it is in vain for him to expect it from their benevolence only. He will be more likely to prevail if he can interest their self-love in his favour, and shew them that it is for their own advantage to do for him what he requires of them. Whoever offers to another a bargain of any kind, proposes to do this. Give me that which I want, and you shall have this which you want, is the meaning of every such offer; and it is in this manner that we obtain from one another the far greater part of those good offices which we stand in need of. 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. We address ourselves, not to their humanity but to their self-love, and never talk to them of our own necessities but of their advantages. Nobody but a beggar chuses to depend chiefly upon the benevolence of his fellow-citizens. Even a beggar does not depend upon it entirely. The charity of well-disposed people, indeed, supplies him with the whole fund of his subsistence. But though this principle ultimately provides him with all the necessities of life which he has occasion for, it neither does nor can provide him with them as he has occasion for them. The greater part of his occasional wants are supplied in the same manner as those of other people, by treaty, by barter, and by purchase...As it is by treaty, by barter, and by purchase, that we obtain from one another the greater part of those mutual good offices which we stand in need of, so it is this same trucking disposition which originally gives occasion to the division of labour (Smith 1976 [1776], I.ii.1-3).

This view is nevertheless rejected by Edwin Cannan (1924: 44; 1926: 131), who, whilst recognising that for Smith, the trucking disposition leads to co-operation, does not admit that it prompts the division of labour, as Smith clearly states. Rather, Cannan - who favours the Ricardian notion of comparative advantage as the original source of growth - arguably reads his own preoccupations into Smith's thought when he suggests in his introduction to the 1904 edition of *WN* that the "butcher, brewer and baker" passage reflects Mandeville's (1705) argument that selfish behaviour leads to public benefit (Cannan 1994 [1904]: liv-lv).<sup>36</sup> As Tribe (2003: 228) points out, Cannan was "...perhaps the most influential teacher of economics in Britain up to his retirement as Professor of Political Economy at the LSE in 1926, [and] edited what was until the 1970s the standard edition of the *Wealth of Nations*..." To be sure, Cannan's view is reflected in contemporary mainstream interpretations of Smith, such as that put forward by Eamonn Butler, Director of the Adam Smith Institute. For Butler:

...Adam Smith's moral system is as self-centred as his economic system...  
As author of *The Wealth of Nations* (1776), Adam Smith...championed the benefits of specialisation and free trade, creating the very idea of the modern market economy that dominates the free world today (Butler 2007a: 103).

Indeed, in the press release to the 2007 Harriman House version of *WN*, which is based upon Cannan's 1904 edition, Butler states:

An enormously useful feature of this edition is the selection of famous quotes at the beginning. Smith's insightful epigrams such as "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" and his famous remarks on the "invisible hand" can be hard to find in the original, but here they all are, laid out easily and accessibly. There is also a brief guide which explains to the reader what Smith was trying to do in each section of the work, which makes reading it much easier (Butler 2007b [online]).

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<sup>36</sup> Cannan (1926: 123) argues that: "[v]ery little of Adam Smith's scheme of economics has been left standing by subsequent inquirers".

This approach reflects the selective method of Schumpeter, whose view of Smith as a proto-equilibrium theorist is also informed by his reading of Cannan's edition of *WN*.<sup>37</sup> However, even a cursory reading of the section of the chapter in which the "butcher, brewer [and]...the baker" sentence appears - 'Of The Principle Which Gives Occasion To The Division Of Labour' - demonstrates that Smith is discussing humans' unique ability to co-operate in making a "fair and deliberate exchange". As he explains here, in: "civilized society...man has almost constant occasion for the help of his brethren, and it is in vain for him to expect it from their benevolence only" (*Ibid*, I.ii.2). Even when taking a brief reading of this small section of Book I, chapter ii, which as a whole is less than two and a half pages in length, it is clear that Smith's point - that it is trade rather than charity that will more effectively provide an individual's security - is less a normative stance advocating selfishness than a pragmatic observation of the reality of the social system in which he resides.

Moreover, in this chapter, Smith argues for the social benefits of limited forms of governmental intervention. Indeed, he next refers to the butcher, brewer and baker in *WN* in terms of the division of labour being limited "by the extent of the market": "In the lone houses and very small villages which are scattered about in so desert a country as the Highlands of Scotland, every farmer must be butcher, baker and brewer for his own family" (*Ibid*, I.iii.2). Against Stigler (1951: 185), who interprets this chapter to refer to "...the core of a theory of the functions of firm and industry, and a good deal more besides", Smith is pointing out the inefficiency of this particular situation:

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<sup>37</sup> "To Professor Cannan we owe by far the best of the many editions of the *Wealth of Nations* (1904; republished many times, 6th ed. 1950) which contains a most valuable introduction..." (Schumpeter 1994 [1954]: 183, footnote 15).



When the market is very small, no person can have any encouragement to dedicate himself entirely to one employment, for want of the power to exchange all that surplus part of the produce of his own labour, which is over and above his own consumption, for such parts of the produce of other men's labour as he has occasion for (Smith 1976 [1776], I.iii.1).

In this chapter, Smith also notes that, historically, those nations that were first civilised had access to “maritime commerce”.<sup>38</sup> As such, he suggests, the efficient division of labour requires access to trade routes.<sup>39</sup> This relates to his discussion of public expenditure in Book V of *WN*. Although Smith advocates that internal trade routes ought to be paid for whenever possible by those that use them, he is also aware that:

[t]he expence of maintaining good roads and communications is, no doubt, beneficial to the whole society, and may, therefore, without any injustice, be defrayed by the general contribution of the whole society (Smith 1976 [1776], V.i.1.4).

The subjects of every state ought to contribute towards the support of the government, as nearly as possible, in proportion to their respective abilities; that is, in proportion to the revenue which they respectively enjoy under the protection of the state (*Ibid*, V.ii.b.3; See also *Ibid*, V.i.i.6).

However, Smith is cautious in this respect. As he argues: “[t]here is no art which one government sooner learns of another than that of draining money from the pockets of the people” (*Ibid*, V.ii.h.12). If taken from its context, this sentence could appear to be in accordance with dogmatic arguments for low taxation policies, as is argued by Butler (e.g., 2007: 71). However, when considered in terms of the rest of *WN*, it is

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<sup>38</sup> Smith notes that: “[i]t is remarkable that neither the antient Egyptians, nor the Indians, nor the Chinese, encouraged foreign commerce, but seem all to have derived their great opulence from this inland navigation”. However, Smith explains that they have a number of “navigable canals”, unlike Bavaria, Austria and Hungary, and “[a]ll the inland parts of Africa, and all that part of Asia which lies any considerable way north of the Euxine and Caspian seas, the antient Scythia, the modern Tartary and Siberia, seem in all ages of the world to have been in the same barbarous and uncivilized state in which we find them at present” (Smith 1976 [1776], I.iii.7-8).

<sup>39</sup> Smith also notes that this has the effect of ringing remote parts of the country into the economy, reducing monopoly and rent: “[g]ood roads, canals, and navigable rivers, by diminishing the expence of carriage, put the re-mote parts of the country more nearly upon a level with those in the neighbourhood of the town. They are upon that account the greatest of all improvements” (Smith 1976 [1776], I.xi.b.5).

clear that, rather than reflecting an ideological dogma, Smith is instead indicating the practical role that government can play in increasing the size of the market - and thus the nation's prosperity - via the efficient reallocation of public revenue. As noted, this is similar to *TMS*, where the theme of self-determination is tied to considerations of fairness and justice. Despite this, neoclassical views regarding the alleged incompatibility of *WN* and *TMS* endure. As is discussed in the next section, this view has its origins in the so-called *Adam Smith Problem*.

#### 1.2.4) The Adam Smith Problem

Once [one] embark[s] upon their self-imposed task of interpreting *The Wealth of Nations* in the light of *The Theory of Moral Sentiments*, [one] become[s] immersed in difficult problems of interpretation for which scarcely any two writers offer the same solution...The Germans...have coined a pretty term, *Das Adam Smith Problem*, to denote the failure to understand either which results from the attempt to use one in the interpretation of the other (Viner 1928: 119-120).

As Montes (2003a: 67-68) explains, the initial controversy regarding Smith's work relates to the accusation levelled by German protectionists that his alleged advocacy of *laissez-faire* policies in *WN* supported British economic hegemony. This view, put forward by figures such as Johan Gottlieb Fichte (e.g., 1808 [1968]) and Friedrich List (e.g., 1841),<sup>40</sup> was influential upon later authors such as Gustav Schmoller and Bruno Hildebrand, for whom: "...the problem of the Adam Smith School is that it tries to monopolise manufacturing for England" and wishes to "...transform political economy into a mere natural history of egoism".<sup>41</sup>

The notion of an irreconcilable inconsistency between the supposedly egoistic *WN* and the altruistic *TMS* was popularised by Karl Knies's "French connection" theory, in which Smith's supposed shift from *TMS* to *WN* is attributed to his acquaintance with the French Physiocrats upon his visit to the continent in 1764 (Montes 2003b: 71; 2004: 20). In *The Political Economy From the Point of View of Historical Method* (1853), Knies states: "...it does not seem like an accident that between the publication of his *Theory of Moral Sentiments* and his economic *Inquiry* occurred his stay in France".<sup>42</sup> Lujo Brentano shares this view. As August Oncken points out,

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<sup>40</sup> Fichte, J. G. (1808 [1968]) *Addresses to the German Nation*. New York, NY: Harper Torchbooks;  
List, F. (1841) *The National System of Political Economy*. London: Longmans, Green and Co.

<sup>41</sup> Hildebrand, B. (1848) *Die Nationalökonomie der Gegenwart und Zukunft*. Frankfurt am Main: Literarische Anstalt, p.275; 278 cited in Montes 2003b: 70.

<sup>42</sup> Knies, K. (1853) *Die Politische Oekonomie vom Standpunkte der Geschichtliche Methode*. Braunschweig: C. A. Schwetschke und Sohn (M. Bruhn), p. 180, cited in Montes 2004: 28.

Brentano argues in *The Position of Labour under Modern Law* (1887) that Smith's opinions underwent a "revolution" during his time in France. As such, his focus upon sympathy in *TMS* is replaced by his conversion in *WN* to the "Gospel of Individualism" as advocated by Claude Adrien Helvétius, who, according to Brentano, views "...self-interest as the sole spring of human actions. The consequences of this dogma of self-love permeate every part of the work [*WN*]"'.<sup>43</sup> As Oncken (1887: 448) notes, however:

...the name of Helvétius does not occur in any edition, either of the *Theory* or of the *Wealth of Nations*...If the *De L'Esprit* of Helvétius had really made so great an impression upon him [Smith], he would not only have named but would also have discussed it in the revised edition of the *Theory*, and that in juxtaposition to his remarks on Mandeville...[However,] neither happened.<sup>44</sup>

Despite this, Witold von Skarżyński echoes Knies and Brentano's arguments in his *Adam Smith as a Moral Philosopher and Creator of Political Economy* (1878):

Under the influence of Hutcheson and Hume Smith was an Idealist, so long as he remained in England. After three years of contact with the Materialism that prevailed in France, he returned to England a Materialist. The contrast between *Theory* (1759) written before his visit to France and the *Wealth of Nations* (1776) written after his return can be quite simply explained in this way.<sup>45</sup>

In fact, Smith travelled in France and Switzerland between February 1764 and October 1766 in his capacity as tutor to Henry Scott, the third Duke of Buccleuch, spending eighteen months in Toulouse, over 400 miles and six days' travel from the salons of Paris. As John Rae notes, Smith had visited the capital for ten days at the

<sup>43</sup> Brentano, L. (1877) *Das Arbeitsverhältniss gemäss dem heutigen Recht*. Leipzig: Duncker und Humblot, p. 60, cited in Oncken 1887: 444 (italics in original).

<sup>44</sup> As Tribe (2008: 523) points out, James Bonar's (1932 [1894]) *A Catalogue of the Library of Adam Smith* (London: Macmillan) demonstrates that Smith did not own any books by or about Helvétius.

<sup>45</sup> Skarżyński, W. (1878) *Adam Smith als Moralphilosoph und Schoepfer der Nationaloekonomie: Ein Beitrag zur Geschichte der Nationaloekonomie*. Berlin: Verlag und Theobald Grieben, p.183, cited in Tribe 2008: 521. Skarżyński is influenced by Buckle, who states in *The History of Civilisation in England* (1857-1861): "Adam Smith, in his *Wealth of Nations*, simplified the study of human nature, by curtailing it of all its sympathy...and by thus establishing two different lines of argument, he embraced the whole subject" (Buckle 1861 [1790], Volume 2, p.351, cited in Montes 2004: 31-32). The extent of Hutcheson's and Hume's influence upon Smith's thought is discussed in 2.2.1-3.

start of his time in France, however did not meet with the *Economistes* during this short stay (Rae 1895: 12.XII.3).<sup>46</sup> This is significant, as it is during the period between his arrival in Toulouse in March 1764 and July of that year that Smith began writing *WN*. This is evident in a letter to David Hume, dated 5<sup>th</sup> July 1764, where Smith complains:

[t]he Duke is acquainted with no Frenchman whatever. I cannot cultivate the acquaintance of the few with whom I am acquainted, as I cannot bring them to our house, and am not always at liberty to go to theirs...I have begun to write a book in order to pass away the time.<sup>47</sup>

Smith did spend a further ten months in Paris between December 1765 and October 1766, where he met with figures such as Jean le Rond d'Alembert, Denis Diderot, Helvétius, André Morellet, François Quesnay, Victor de Riquetti, marquis de Mirabeau, Paul-Henri Thiry, baron d'Holbach, and Anne Robert Jacques Turgot during this period, as he mentions in a letter to Morellet dated 1<sup>st</sup> May 1776.<sup>48</sup> However, that Smith had evidently formulated the economic ideas that appear in *WN* before this extended stay in Paris or indeed his trip to the continent is demonstrated by a manuscript copy of student notes taken during Smith's final year of his Professorship of Moral Philosophy at the University of Glasgow in 1763.

Published in 1896 by Cannan as *Lectures on Justice, Police, Revenue and Arms, delivered in the University of Glasgow by Adam Smith* (Oxford: Oxford University Press), this document demonstrates conclusive evidence of the continuity of Smith's thought, insofar as the lectures closely resemble the content of *WN*. As Oncken (1897: 445-446) suggests, Smith did not, therefore, undergo a radical change of mind

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<sup>46</sup> As Rae explains, Smith: "...probably could not as yet speak French, for even to the last he could only speak it very imperfectly. Most of their time in Paris seems, therefore, to have been spent with Hume and Sir James Macdonald and Lord Beauchamp, who was Hume's pupil and Sir James's chief friend" (*Ibid*). Interestingly, it is during this period that Smith resigned his Chair of Moral Philosophy at Glasgow (see Letter from Adam Smith to Thomas Miller, 14<sup>th</sup> February 1764, in Smith 1987, letter 81, pp.80-81).

<sup>47</sup> Letter from Adam Smith to David Hume, 5<sup>th</sup> July 1764, in Smith 1987, letter 82, p.81.

<sup>48</sup> Letter from Adam Smith to André Morellet, 1<sup>st</sup> May 1786, in Smith 1987, letter 259, p.295.

between his period of Professorship at Glasgow, where he wrote *TMS*, and his first visit to France, where he began writing *WN*. As Oncken also notes, Smith's consistency is also apparent from the Advertisement in the preface to the sixth and final edition of *TMS*, where he states:

“In the last paragraph of the first Edition of the present work, I said, that I should in another discourse endeavour to give an account of the general principles of law and government, and of the different revolutions which they had undergone in the different ages and periods of society; not only in what concerns justice, but in what concerns police, revenue, and arms, and whatever else is the object of law. In the *Enquiry concerning the Nature and Causes of the Wealth of Nations*, I have partly executed this promise; at least so far as concerns police, revenue, and arms”.

...By the publication of the *Lectures*...which Edwin Cannan accomplished last year, the [alleged] gap [between *TMS* and *WN*] has, in some degree, been filled up. But this much is unquestionably evident from the passage above quoted, that the author himself firmly believed in the connection between his two works, the *Theory* and the *Wealth of Nations*. And yet in these latter days arise others who think they know better! (Smith 1976 [1790], Advertisement, cited in Oncken 1897: 449; See also Smith 1976 [1790], VII.iv.37)

Indeed, although the lecture notes presented by Cannan may have demonstrated the paucity of the figures in the German Historical School's assumptions regarding the irreconcilability of the two books, Cannan's own suggestion that these notes present Smith as a consistently *laissez-faire* thinker arguably reverts back to the original reception granted to *WN* in Germany, where the *Adam Smith Problem* initially developed.

To be sure, none of Smith's British contemporaries detected an *Adam Smith Problem*. Indeed, the consistency or otherwise of his work is not commented upon between Dugald Stewart's *Account of the Life of Adam Smith, LL.D* in 1793 and William Playfair's eleventh edition of *WN* in 1803, in which Playfair states:

[i]t was during his Professorship [at Glasgow] that he [Smith] published the first edition of *The Theory of Moral Sentiments*...and it was then also that he probably collected most of the material, and laid the plan for the *Inquiry into the Nature and Causes of the Wealth of Nations*.<sup>49</sup>

Playfair arguably continues Stewart's politically conservative reconstruction of Smith, a portrayal extended by John Ramsay McCulloch (1850), editor of the Longman edition of *WN*. As Athol Fitzgibbons argues, McCulloch also echoes Playfair by including critical comments in the body of the text informing the reader of supposed errors in the book.<sup>50</sup> However, unlike Playfair, McCulloch explicitly reduces "Smith's life work down to Book I of *The Wealth of Nations*". According to Fitzgibbons (1995: 149-150), McCulloch's edition is extremely influential in the popularisation of the subsequent view in the nineteenth century of Smith as the advocate of "free trade, moral vacuity and self-love".<sup>51</sup> McCulloch arguably echoes Hildebrand's (1848: 275) view that *WN* is about *laissez-faire* and "the deification of private egoism". As Montes notes:

[t]his early assessment of *The Wealth of Nations* reflects a view that was basically carried forward...for more than a hundred years. Not surprisingly, in this setting Smith became known as the founder of the materialistic "Manchester School" that preached the gospel of individual interest and free competition (Montes 2003a: 68).

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<sup>49</sup> Playfair 2000 (1804) introduction to Smith (1776), eleventh edition, cited in Montes 2004: 17; 20. Playfair's edition is much criticised. As Emma Rothschild notes, Francis Horner wrote in the *Edinburgh Review* that: "[i]n the whole course of our literary inquisition, we have not met with an instance so discreditable to the English press" (Horner, F. 1806 'Playfair's Edition of Wealth of Nations'. *The Edinburgh Review*, 7 [14]: 470-471, cited in Rothschild 1995: 727).

<sup>50</sup> McCulloch's edition of *WN* attempts to "...make the reader aware of the fallacy of the principles which Dr. Smith has sometimes advocated" such as Smith's supposedly "defective and unsound" notion of the labour theory of value: "[i]t is not...true, as is supposed throughout *WN* that the variations of the price or wages paid for labour have the same influence over the value or price of commodities as variations in the amount of such labour" (McCulloch intro to Smith 1850 [1776]: xlvii-xlviii). McCulloch also argues that: "[t]he arrangement of the *Wealth of Nations*...[is] perplexed and illogical" (*Ibid*, xlix).

<sup>51</sup> Fitzgibbons 1995: 152. As Hollander explains, McCulloch was among the handful of influential thinkers, including James Mill and Francis Horner, who attended Dugald Stewart's course on political economy (Hollander 1928: 35-36).

Certainly, that such a view was still prevalent one hundred and twenty five years later is evinced by Stigler (1975: 237), who contends that: “*The Wealth of Nations* is a stupendous palace erected upon the granite of self-interest”. That this erroneous viewpoint is still highly influential is clear from Gordon Davis’s (2003: 291) argument that in *WN* Smith succeeds “...in banishing the language of moral evaluation from his economic analysis...hence the infamous ‘*Adam Smith Problem*’”.

Contemporary heterodox authors that challenge such views argue that a move beyond the *Problem* requires that Smith’s thought be considered as a connected body of work. As noted, this stance is often associated with the publication of the Glasgow Editions of Smith’s works and correspondence between 1976 and 1983,<sup>52</sup> in which his discussions on ethics, economics, moral philosophy, language and law are interpreted by its editors as being parts of a consistent and comprehensive history of man and society. These include D. D. Raphael and A. L. Macfie, editors of the Glasgow Edition of *TMS*, who dismiss the *Problem* as “...a pseudo-problem based on ignorance and misunderstanding” (Raphael and Macfie, intro to Smith 1976 [1790], p.20). Other notable scholars that arguably share this view include Winch (e.g., 1978; 1997), Robert Heilbroner (e.g., 1982), and Jerry Evensky (e.g., 1987).

However, according to Knud Haakonssen, editor of the Cambridge Edition of *TMS* (2002: xxiv), the *Problem* should not be dismissed so readily.<sup>53</sup> This argument perhaps reflects one of the most important developments in the recent debate within heterodox Smith scholarship, as it relates to Richard Teichgraeber’s (1981) and

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<sup>52</sup> Horst Recktenwald provides a summary of the four main characteristics of subsequent heterodox interpretations, which include: a reappraisal of Smith’s economic analysis; a holistic reading of Smith; a particular interest in Smith’s social philosophy; and a new concern with the roles of socio-political institutions, including government, in Smith’s market economy (Recktenwald 1990 [1978]: 103-104; see also Otteson 2000: 54; Raphael and Macfie 1982: 20-25; Werhane 1991: 108; Wight 2002: 56-58).

<sup>53</sup> Haakonssen’s position has shifted from his earlier view that it is “...futile to take any more rides on that old hobby-horse ‘sympathy v. self-interest’ in Smith” (Haakonssen 1981: 197, footnote 19).



Laurence Dickey's (1986) rejection of Raphael and Macfie's position,<sup>54</sup> Otteson's (2000: 53) rejection of Morrow (1928), Macfie (1967), Raphael and Macfie (1976), Raphael (1985), Teichgraeber (1981), and Haakonssen (1981) in his argument that "...there is a real Adam Smith Problem", and Leonidas Montes's (2003a; 2004) related rejection of Raphael's (1985) instrumental "narrowing" of Smith's concept of sympathy to that of moral judgement.<sup>55</sup> This demonstrates that, whilst broadly sharing the view that Smith considers *TMS* and *WN* as related parts of a comprehensive undertaking on man and society, the heterodox literature is not a homogenous body of thought. Indeed, this has always been the case.

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<sup>54</sup> Teichgraeber (1981: 106; 110) considers Raphael and Macfie's approach to the *Adam Smith Problem* to be "perfunctory" and "surprisingly extreme". Dickey (1986: 582) refers to their reasoning as "an egregious scholarly error".

<sup>55</sup> Montes 2003a: 63-87; see also Montes 2004: 15-56.

## Part Three: Heterodox interpretations

### 1.3.1) Strategist accounts

An earlier theorist that claims Smith's system to be consistent is Henry Bittermann, who asserts that Smith's moral philosophy is as "scientific" as his economics.<sup>56</sup> More controversially perhaps, Bittermann (1940a: 709-710) also suggests that Smith may deliberately obscure his theological convictions:

Smith wrote toward the end of a century of bitter controversy in theology; heterodox views, if expressed too forcefully, might still have been prosecuted under the blasphemy laws...It is, therefore, not surprising that he avoided theologic disputes in public and in private, especially since his views were probably not orthodox enough for his time and place...It is possible that there is an element of deliberate deception in Smith's remarks about religion in the *Moral Sentiments*. Where freedom of expression is limited, some misleading of the unwary is almost inevitable.

This view is arguably reflected in two opposing strands of the heterodox debate, exemplified by the positions held by Emma Rothschild (e.g., 2001) and Lisa Hill (e.g., 2001). Unlike Hill, Rothschild does not attribute hidden theological connotations to Smith's "invisible hand" metaphor. In contrast, for Rothschild, Smith's use of the "invisible hand" is ironic, a view that relates to his supposed concealment of his "radical" private opinions. Perhaps also extrapolating from Jacob Hollander's (1927)<sup>57</sup> more prosaic presentation of the reception afforded Dugald Stewart's *Account of the Life and Writings of Adam Smith* (1793), Rothschild portrays this text as a deliberate and highly influential attempt to "protect" Smith's reputation by advancing the image of him as a conservative public philosopher concerned only

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<sup>56</sup> Bittermann thus goes against Jacob Viner (1928) and John Rae (1834), who Bittermann (1940: 489) notes: "...objected to Smith's method as unscientific and metaphysical".

<sup>57</sup> Hollander 1928: 28-31. This article is originally titled 'Adam Smith: 1776-1926', and appears in *The Journal of Political Economy* (1927) 35 (2): 153-197. All page references to this article are however taken from the re-titled chapters 'The Dawn Of A Science', in Clark, J. M., Douglas, P. H. and Hollander, J. H. et al. (eds.), *Adam Smith 1776-1926, Lectures to Commemorate the Sesquicentennial of the Publication of "The Wealth of Nations"*, Chicago: University of Chicago Press, 1928, pp.1-21; and 'The Founder of a School' (*Ibid*: 22-52).

with those: "...speculations...which have no tendency to unhinge established institutions, or to inflame the passions of the multitude".<sup>58</sup> Rothschild thus arguably conflates Hollander's suggestion - that Stewart modifies Smith's views for his audience - with Bittermann's view that Smith perhaps obscures his own opinions.

As Hollander (1928: 29) notes, Stewart's *Account* was first read to the Royal Society of Edinburgh between January and March 1793. Although Hollander explains that: "...the reaction from the French Revolution had put fetters upon intellectual freedom in Great Britain", he presents the main consequence of this - in terms of Smith and Stewart - as the delay that it caused to Stewart's presentation of his course of lectures in 1800 (*Ibid*, 28-31). In contrast, Rothschild (2001: 61) considers the "disjunction of economic and political freedom" in this period as "...the necessary condition, in the 1790s, for the transformation in Smith's own reputation" into a "cold-souled enemy of the poor".

Yet this is puzzling when one considers the early reception afforded Smith's views. As James Buchan (2006: 6) notes, Thomas Malthus (1798) accuses Smith of conflating "the wealth of a state" with "the happiness of the lower classes of the people".<sup>59</sup> Against Rothschild (2001: 66) this is arguably not based on Smith's views being obscured by himself, nor by the "terror of the times", but by Malthus's opinions regarding overpopulation. Indeed, as Hollander notes, a good deal of Malthus'

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<sup>58</sup> Stewart cited in Rothschild (2001: 57-58). Rothschild's view is supported by Athol Fitzgibbons, who argues that Stewart proceeded to deliver the first academic course on political economy, separating it from ethics, jurisprudence and politics, in order to de-emphasise Smith's moral philosophy, which was associated with French altruism in the period immediately after his death (Fitzgibbons 1995: 148).

<sup>59</sup> Malthus, T. R. (1798) *An Essay on the Principle of Population, as it affects the Future Improvement of Society, with Remarks on the Speculations of Mr. Godwin, M. Condorcet, and other Writers*, p.304, cited in Buchan (2006: 6).

understanding of the economy is derived from Smith.<sup>60</sup> A similar approach is perhaps found in the work of Adam Ferguson. As I discuss in 2.2.3, Ferguson defers to Smith's views in *WN*, apart from those regarding the militia, as they contradict Ferguson's advocacy of civic humanism within commercial society.<sup>61</sup> These brief examples suggest that it is more likely that any "transformation" in Smith's reputation is based more on others' objections to specific matters in his work than by his own attempts to obscure them. Indeed, unlike contemporaries such as Malthus, Smith clearly demonstrates his concern for the poor in Book I of *WN*:

No society can surely be flourishing and happy, of which the far greater part of the members are poor and miserable. It is but equity, besides, that those who feed, cloath, and lodge the whole body of the people, should have such a share of their own labour as to be themselves tolerably well-fed, cloathed and lodged (Smith 1976 [1776], I.viii.36).

As noted in 1.1.1, Smith also discusses poor workers' right to humane treatment and attacks the poor laws and the restriction of movement for workers here (*Ibid*, I.viii.15; I.x.2). He also explicitly connects gains in trade to the increased revenue of all sections of society, and discusses the poor and education in Book IV (*Ibid*, IV.iii.II.3).<sup>62</sup> As such, Malthus's remarks are based on a clear understanding of Smith's position on the poor. This goes against Rothschild's view that he "...went to considerable lengths to obscure his opinions", which, she argues, presents "...great difficulties [when]...trying to interpret Smith's politics" (Rothschild 2001: 66).

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<sup>60</sup> As Hollander states: "[a] chapter [xvi] of the *Essay* was devoted to the "...probable error of Doctor Adam Smith in representing every increase of the revenue or stock of a society as an increase in the funds for the maintenance of labour. But it was introduced with 'diffidence' ...and it rested on the very doubtful ground that only an increase of foodstuffs and not of manufactures could have 'the same good effect upon the condition of the poor'. Beyond this there was deferential agreement" (Malthus 1803 2nd edition, p.302, cited in Hollander 1928: 45-46).

<sup>61</sup> Letter from Adam Ferguson to Adam Smith, 18<sup>th</sup> April 1776, in Smith 1987, letter 154, pp.193-194.

<sup>62</sup> There are numerous other examples throughout Smith's work that demonstrate his concern for the plight of the poor, including his extremely prescient comment in his discussion of the merits of education in *LJ* that "...it may be very justly said that the people who cloathe the whole world are in rags themselves" (Smith 1978 *LJ [B]*, II.330).

According to Rothschild, this supposed obfuscation of his “real political sentiments” is responsible for the reduction of *WN* to a single “principle”, and Smith to a zealot of “Freedom of Trade” (*Ibid*, 67; Rothschild 1992: 75) in the period following his death.<sup>63</sup> Rothschild correctly criticises portrayals of Smith as a *laissez-faire* economist, yet appears to conclude that it is possible to determine “what Smith means” by using similar sources to those authors that seek to claim him as an advocate of free trade. In contrast to Stewart, for whom “Smith’s real sentiments...were those of the prudent public man”, Rothschild (2001: 66) points to the Physiocrat Pierre Samuel Du Pont de Nemours, for whom the “real” Smith “...was to be found in the private man, or the unqualified friend of freedom. The public Smith was hiding his real sentiments from conservative public opinion”.<sup>64</sup>

As Rothschild argues, Du Pont (1809) criticises Smith’s advocacy of limited governmental intervention in Books IV and V of *WN* as an “error”, and instead interprets his argument here as “...a sacrifice which he thought he must make to the popular opinions of his country”.<sup>65</sup> Yet Smith is clear in stating that intervention is appropriate in the correct circumstances. An unmistakeable example of this is in his discussion in Book V, chapter ii of *WN* of the appropriateness of a “publick bank”. Reflecting his general position, Smith’s attack here on the British government’s “slothful and negligent profusion” and “thoughtless extravagance” (Smith 1976 [1776], V.ii.a.4) is not a dogmatic critique of intervention, but an assessment of a

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<sup>63</sup> As Rothschild notes, Smith’s advocacy of free trade in corn as the best palliative for scarcity in Book IV, chapter v of *WN* has led to a reduction of his argument to “...a simple prescription that commerce is good and government bad” (Rothschild 2001: 72-75).

<sup>64</sup> Dupont de Nemours, P. S. (1790) *Observations sur les principes qui doivent déterminer le nombre des districts et celui des tribunaux dans les départements*, cited in Rothschild 2001: 66. Interestingly, Hollander points out that Stewart includes Dupont’s *La Physiocratie: ou constitution essentielle du gouvernement le plus avantageux au genre humaine* (1767) along with others, including *WN*, in his list of recommended texts on the subject of “National Wealth” in his course on political economy (Hollander 1928: 35).

<sup>65</sup> Du Pont de Nemours, P. S. (1809) *Observations sur les points dans lesquels Adam Smith est d’accord avec la theorie de M. Turgot, et sur ceux dans lesquels il s’en est ecarte*, in Turgot, A. R. J. (1844) *Oeuvres de Turgot*, I, pp.67-71, cited in Rothschild 2001: 66-67.

particular state of affairs. As Nathan Rosenberg (1979: 26) explains, Smith's position is therefore "...a pragmatic one, not one of principle".

As with later interpretations that claim Smith's "true" intentions, Du Pont therefore falsely attributes to Smith a commitment to *laissez-faire* that is based more on interpretation than on meditation upon what he actually says. Interestingly, although Rothschild does not attribute such a position to Smith, she appears to make similar claims in terms of basing her division between the public (or "false") and private ("real") Smith on similar sources to those used by Du Pont:

Dupont's [sic] interpretation is supported by much of Smith's correspondence, and by the revolutionary side or element of his published and unpublished work (Rothschild 2001: 67).

In his letters and conversations, he [Smith] seems to have several more or less distinct personalities. It was this multiplicity which led to the tension, described by Dugald Stewart, between the qualified public Smith and the private Smith (*Ibid*, 66).<sup>66</sup>

Although Rothschild attempts to expose the orthodox manipulation of Smith's ideas in this way, one might argue that her approach reiterates the mainstream tendency to posit two "Adam Smiths", albeit from a different basis than is usually the case. Further, her contention that Smith intentionally obscures his "real" or "private" opinions is as speculative as her claim that Smith: "...was writing, in part, for a distant posterity, but he was prepared to confuse this posterity just as he confused his own public" (Rothschild 2002 [online]). This is far more difficult to sustain than her more plausible claim that others sought to obscure Smith's intentions. However, these arguments are conflated in her subsequent assertion that the potentially subversive

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<sup>66</sup> Rothschild again refers to this alleged distinction between Smith's public and private views in her Enlightenment Speech on Smith at the University of Edinburgh in 2002, where she notes: "[t]he difference between his [Smith's] public and private self was commented on by his friends" (Rothschild 2002 [online]).

elements of *WN* and *TMS* are not concerned with commercial policy, but with Smith's views on education that he supposedly advocates in order to enable individuals to call into question the wisdom of established institutions, including organised religion (Rothschild 2001: 112-113; 67-68).

Rothschild is correct in pointing out that Playfair's opposing distinction between education (as formal schooling) and training (as apprenticeship) in his edition of *WN* is one that Smith does not make. As she argues, this is based on Playfair's clear hostility to Smith's alleged opposition to apprenticeship.<sup>67</sup> As such, this is a further case of a thinker interpreting his views with reference to their own particular political agenda. Indeed, Smith is not opposed to the principle of apprenticeship, but rather the absurdities of the present system, which he views as a "violation of this most sacred property" which "every man has in his own labour" (Smith 1976 [1776] I.x.c.12). As discussed, this forms part of Smith's broader argument in *WN* against institutions, laws, and privilege that he considers to be an imposition on natural liberty. As such, it is a wider conception of justice that informs his opposition to contemporary apprenticeship laws that restrict individual freedom, rather than a commitment to the establishment of precise laws needed to remedy it as advocated by Playfair.

This approach is also reflected in *TMS* in Smith's opposition to "men of system" that seek to establish such precise laws.<sup>68</sup> Therefore, although Smith advocates that the public obliges "...every man to undergo an examination or probation in them before he can obtain the freedom in any corporation, or be allowed to set up any trade", he does not specify what this "probation" should entail. Nor does he imply that such

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<sup>67</sup> Rothschild cites Playfair's Supplementary Chapter on education in his eleventh edition of *WN*: "To free youth from the shackles of apprenticeship, and subject infancy to the authority of the schoolmasters, is the present bent of political economists" (Playfair, W. [1803] 'Supplementary Chapter' in Smith 1803 [1776], ed. by Playfair, p.243, cited in Rothschild 2001: 96-97).

<sup>68</sup> "The man of system...is apt to be very wise in his own conceit; and is often so enamoured with the supposed beauty of his own ideal plan of government, that he cannot suffer the smallest deviation from any part of it" (Smith 1976 [1790], VI.ii.2.17).

training is different to “those most essential parts of education” - the basics in “the elementary parts of geometry and mechanicks” - that he argues should be taught by teachers in schools (Smith 1976 [1776], V.i.f.55-57). Indeed, Smith advocates similar “probation” for teachers as he does for tradesmen, whose standard of teaching will be assured through state regulation rather than state funding.<sup>69</sup> This also relates to the explicit connection that he makes between poor teaching standards in universities and his critique of the clergy:

The parochial clergy are like those teachers whose reward depends partly upon their salary, and partly upon the fees or honoraries which they get from their pupils, and these must always depend more or less upon their industry and reputation (*Ibid*, V.i.g.2).

Again, Smith’s view is clear. Whilst his support for such regulations goes against attempts to class him as a *laissez-faire* theorist, Rothschild’s view that Smith examines education in terms of its potentially subversive aspects is inaccurate. As I discuss in 2.3.1, Smith advocates basic education as it facilitates economic prosperity and moral development. Although this is at odds with contemporary views regarding the necessary influence of religion upon education, Smith does not make this the focus of his discussion. Indeed, his views on this subject are made clearly elsewhere, for example in Book V, chapter iii of *WN*, in which he points out his distaste for the contribution of organised religion to political faction and the clergy’s historical proclivity towards “...the gratification of their own private vanity and folly”.<sup>70</sup> Indeed, such a clear critique prompted Adam Ferguson to write:

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<sup>69</sup> “...not by giving salaries to teachers in order to make them negligent and idle, but by instituting some sort of probation...to be undergone by every person before he was permitted to exercise any liberal profession... If the state imposed upon this order of men the necessity of learning, it would have no occasion to give itself any trouble about providing them with proper teachers” (*Ibid*, V.i.g.14).

<sup>70</sup> Smith 1976 (1790), V.iii.3.6-42 Although he is clearly critical of such behaviour, Smith conflates the clergy’s desire for luxury with that of the feudal barons, and argues that this tendency led to the gradual reduction of their power over time. As he points out, the introduction of rents was driven by their desire to indulge in luxury, which in turn led to the gradual dissolution of “[t]he ties of interest, which bound the inferior ranks of people to the clergy”. Smith thus directly relates “[t]he gradual improvements of



You have provoked, it is true, the church, the universities, and the merchants, against all of whom I am willing to take your part; but you have likewise provoked the militia, and there I must be against you.<sup>71</sup>

To be sure, Smith's "subversive" views were widely known. This goes against Iain McLean, who states that he agrees with "almost all" of Rothschild's views, including her controversial position that Smith's use of the invisible hand is "sarcastic". According to McLean, Smith was "...always cautious about what he said in public. But we know that he was much less cautious in private", and attributes this to Smith's criticism of "Whining Christians" (McLean 2005: 24-28) in his letter to Alexander Wedderburn of 14<sup>th</sup> August 1776.<sup>72</sup> However, this view is consistent with Smith's very public condemnation of the clergy and of "those whining and melancholy moralists" in *TMS* (Smith 1976 [1790], III.iii.8). Certainly, Morrow (1928: 165) notes that, in response to the perceived "blasphemous" notions present in *TMS* and supposed advocacy of selfishness in *WN*, eighteenth century moralist John Ruskin terms Smith "...the half-bred and half-witted Scotchman who taught the deliberate blasphemy: 'Thou shalt hate the Lord, thy God, damn his law, and covet thy neighbour's goods'".<sup>73</sup>

Indeed, as Rothschild (2001: 68) states: "Smith's subversive renown was founded, to a great extent, on his criticisms of established religion". Furthermore, it is arguable that the climate of fervent opposition to unorthodox views such as Smith's that

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arts, manufactures, and commerce" to the erosion of the clergy's moral authority (*Ibid*, V.iii.3.25). The relationship that Smith draws between the progress of knowledge, prosperity and moral well being is discussed in 3.3.1, which relates to Smith's rejection of civic humanist criticisms of commercial society, which is discussed in 2.3.1-4.

<sup>71</sup> Letter from Adam Ferguson to Adam Smith, 18<sup>th</sup> April 1776, in Smith (1987), letter 154, pp.193-194.

<sup>72</sup> Letter from Adam Smith to Alexander Wedderburn, 14<sup>th</sup> August 1776, in Smith 1987, letter 163, p.203.

<sup>73</sup> It is perhaps interesting to consider that Ruskin is cited as an inspiration for 'New Economics' (see Boyle, Cordon and Potts 2006: 10-15). Moreover, such perverse notions of the relevance of Smith's nationality continued in the twentieth century, with Paul Douglas commenting on Smith's "Scotch hard-headed way of accepting the status quo" and "thrifty Scotch manner" in his critique of Smith's theory of value (Douglas 1928: 98; 80).

Rothschild points to inadvertently demonstrates the strength and clarity of his conviction more clearly. As such, it is difficult to argue, as she does, that Smith “writes in a sort of code” (Rothschild 2001: 67), on subjects such as poverty, the military, apprenticeships, education or religion. However, Rothschild’s discussion serves to highlight that a selective approach has often been taken towards Smith’s work. As Teichgraeber (1987: 340) notes:

It is clear that Smith’s contemporaries were not interested in all that he had to say. Instead, they focussed almost entirely on his argument for free trade... because this was what they took to be the most interesting and useful aspect of the *Wealth of Nations*.<sup>74</sup>

Against Rothschild and McLean, it is therefore interpretation and selective use of Smith rather than deliberate obfuscation by himself that would appear to be the cause of any “transformation” in his reputation.

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<sup>74</sup> This view is perhaps echoed by Fitzgibbons (1995: 151): “[e]conomists did not want to intertwine the case for free trade with obscure metaphysical speculations that might be thought to subvert traditional morals...the free trade policy of Great Britain was too important to be jeopardized by a radical philosopher with a moral theory that was obscure but corrosive of both religion and the state”.

### 1.3.2) Theological accounts

This criticism is also applicable to other contemporary heterodox interpretations of Smith. As noted, Lisa Hill (2001) puts forward an alternative argument to Rothschild. In her discussion of Smith's "invisible hand" metaphor, Hill rejects "secularist" arguments that suggest that his use of theological language is employed merely as a "...stratagem...to obscure the unorthodoxy of his religious convictions".<sup>75</sup> Similarly, Hill attacks Rothschild's (1994: 321) argument that Smith intends the invisible hand metaphor as an ironic joke.<sup>76</sup> Hill also rejects Glenn Morrow's argument that "Smith's moral world is a totally secular arrangement 'not the order of a divine law-giver'" (Morrow 1923: 71 cited in Hill 2001: 1). For Hill:

Smith's notion of a Providential invisible hand is, not only the centrepiece, but the unifying principle...of his entire *oeuvre* without which much of his thought makes little sense (Hill 2001: 22).

This view perhaps reflects that held by Laurence Dickey (1986: 609) who argues that the language employed by Smith in the newly added Part VI in the sixth edition of *TMS* demonstrates his Christian convictions:

...the concern with assimilationism, with differentiating the pursuit of perfectibility from that of perfection, with approximationism and with humility - is mainline Protestant theology shaped in the image of the theology of the divine economy.

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<sup>75</sup> Hill is here referring to Lindgren, J. R. (1973) *The Social Philosophy of Adam Smith*, The Hague: Martinus Nijhoff; Raphael, D. D. (1975) *Adam Smith*, Oxford: Oxford University Press; and Kristol, I. (1980) 'Rationalism in economics', *The Public Interest*, 61: 201–218 cited in Hill 2001: 2.

<sup>76</sup> Rothschild 1994: 321 cited in Hill 2001: 2. Rothschild argues that there is "...little evidence for the view that Smith took the invisible hand seriously". Rothschild's holistic reading of Smith prompts an analysis of the invisible hand in *HoA* as a joke that refutes Stoic fatalism. Yet Rothschild also suggests that the existence of an "all-wise Architect and Conductor" controlling Smith's system of Nature points to the "serious and unironic use of the invisible hand: the efforts of individuals can... successfully promote the interests of the society, without being subject to the direction of sovereigns and legislators". However, Smith's supposed "deeper irony" is the outcome of a Stoic orderliness as the consequence of an unordered cosmos: "...the invisible hand is a thoroughly Smithian idea. It is an ironic joke, and it is also a joke on himself. It is a joke, in any case, on his immense posterity as well" (Rothschild 2001: 133-138).

Hill's view is also reminiscent of Evensky's (1998: 20) argument that, in the ideal society, for Smith: "...each individual will act in an ethical fashion - that is, in harmony with the deity's design". A recent contribution is made by Ann Firth (2007: 72) who places similar emphasis to that of Hill and Dickey on the supposed importance of theology in Smith's *oeuvre*:

For Smith, the existence of God is the necessary condition which leads human beings to realize their true natures and God is the standard of perfection to which he wishes his readers to dedicate themselves...Smith's answer to the preoccupation with wealth and social status was a form of self-cultivation designed to produce a particular ethical relationship first to oneself and then to others. It relied on the existence of an exemplar of moral perfection in the form of God.<sup>77</sup>

These views are influenced by Jacob Viner.<sup>78</sup> In his seminal article 'Adam Smith and Laissez-Faire' (1928), Viner rejects Cannan's view of Smith as a dogmatic advocate of free trade, yet revives the two "Adam Smiths" myth by identifying "...a substantial measure of irreconcilable divergence between the *Theory of Moral Sentiments* and the *Wealth of Nations*" based on the "virtual disappearance" in *WN* of the "...doctrine of an order of nature designed and guided by a benevolent God..." that he alleges is in *TMS* (Viner 1928: 117). According to Viner, although Smith's advocacy of natural liberty in trade is widely recognised:

[w]hat is not so familiar...is the extent to which Smith acknowledged exceptions to the doctrine of a natural harmony in the economic order even when left to take its natural course. Smith, himself, never brought these together; but if this is done, they make a surprisingly comprehensive list and they demonstrate beyond dispute the existence of a wide divergence between the perfectly harmonious, completely beneficent natural order of the *Theory of Moral Sentiments* and the partial and limited harmony in the economic order of the *Wealth of Nations* (*Ibid*, 134).

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<sup>77</sup> See also Pack 1995; Schabas 2003; Singer 2004; Syed 1990. I challenge these views in 2.3.1-4.

<sup>78</sup> Indeed, Hill states that her "...intention here is to recover, defend and extend Jacob Viner's contested claim that, owing to the secularization of the disciplines of economics and ethics, Smith's system has been stripped of its 'integral' Providentialism" (Hill 2001: 1).

Viner's view is challenged by Macfie (1953: 211), who argues that the theme of natural liberty that runs through Smith's *oeuvre* resolves any tension between the "prudent" man in *TMS* and the "economic" man in *WN*. As he explains: "...the *almost* theological view of the invisible hand" is "...exactly carried over from the *Moral Sentiments* into *Wealth of Nations*".<sup>79</sup> Despite this, Viner's view that Smith advocates benevolence in *TMS* and self-interest in *WN* is influential on subsequent interpretations of Smith's thought, as is his criticism of the former book, which, he suggests, is separable from, and inferior to, *WN*:

...the *Wealth of Nations* was a better book because of its partial breach with the *Theory of Moral Sentiments*, and that it could not have remained, as it has, a living book were it not that in its methods of analysis, its basic assumptions, and its conclusions it abandoned the absolutism, the rigidity, the romanticism which characterize the earlier book (*Ibid*, 119-120).

Seemingly echoing Viner, Morrow argues that: "[t]he real foundation for Adam Smith's faith in the ultimate harmony of the conflicting interests of individuals is to be found in his theology". However, unlike Viner, Morrow attributes a natural theological aspect to Smith's account of natural liberty, arguing that, for Smith: "Nature, spelt with capital N, equals God" (Morrow 1928: 170-171). Morrow extends this argument to present Smith's advocacy of "...pure and natural religion, free from every mixture of absurdity, imposture, or fanaticism" as providing evidence that "[t]he chief concern of natural theology [for Smith] was to furnish a foundation for morality independent of positive religion".<sup>80</sup> This argument is a probable factor in Hill's rejection of Morrow's view that for Smith, the:

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<sup>79</sup> Smith discusses this in terms of luxury spending in *WN* (Smith 1976 [1776], IV.ii.9) and emulation in *TMS* (Smith 1976 [1790], IV.i.10).

<sup>80</sup> Smith 1976 (1776), V.i.3 cited in Morrow 1928: 170.

...order in which the moral standards arise is not a formal rational order, not an order independent of humanity in general, not the order of a divine lawgiver (primarily, at least), but an order immanent in human experience (Morrow 1923: 71).

Against Hill's interpretation, Morrow does not exclude the possibility of theological leanings in Smith's notion of the constitution of the "moral world". However, Morrow de-emphasises its significance by pointing out that Smith locates morality in everyday behaviour, and thus provides some understanding of his sophisticated consideration of moral agency and the development of changing standards across space:

If the moral sentiments of the individual are the expression of the general sentiments of the society of which he is a member, it is to be expected that moral standards will vary according to the conditions of the different societies in which they arise (Morrow 1928: 174).

As such, Morrow also reflects the non-prescriptive nature of Smith's thought:

...the whole theory of the nature of virtue is in the main incidental to the real inquiry which Smith has in mind. The more important, and by far the larger, portion of his work is given over to the development of a psychological theory of the origin of moral judgement. This portion of the *Moral Sentiments* is unique; it may be said to have anticipated, in some important respects, the results of later social philosophy and psychology with respect to the origin of the moral consciousness (*Ibid*).<sup>81</sup>

Morrow's view is arguably reflected in contemporary arguments that reject Hill, such as those proposed by Elias Khalil, who argues that Smith "fuses" his two uses of the term "nature", which sometimes refers to God, and at other times to human nature. As such, Khalil rejects authors that follow Viner insofar as there is no necessary tension between Smith's use of the terms in either *WN* or *TMS*. As he suggests, in both books: "Smith conceives religions as simply further articulations of rudimentary general rules" (Khalil 2000: 49-56).

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<sup>81</sup> This also reflects the holistic nature of Smith's thought (see Bonar 1922: 149; Hutchison 1976: 511; Macfie 1967: 16). Smith's influence on sociology and psychology is discussed in 3.1.1.

Perhaps echoing John Maurice Clark's (1928: 55) "Environmental Interpretation of Economics",<sup>82</sup> Peter Clarke (2000: 50-53) argues that a deeper understanding of Smith's thought is achieved by placing his work in the context of the religious upheaval that occurred around the time in which it was written. In a manner similar to Rothschild, Clarke observes the influence held by the Catholic Church on the contemporary intellectual climate. Unlike Rothschild, however, Clarke also points to the concurrent re-emergence of interest in Stoicism.<sup>83</sup> Similarly to Richard Sher (1985), Clarke thus interprets Smith's views as reflecting the "Christian Stoicism" of Francis Hutcheson, and argues that Smith's depiction of self-interest as gaining societal approval provides a critique of those that claim Smith as a neoclassical economist.<sup>84</sup>

This view is perhaps touched upon by Brendan Long (2006: 144), for whom: "[t]he final cause of God's creative action is a desire to produce a society of virtuous and happy persons. The efficient causality is Nature, which is really human nature". Long also argues that the depth of Smith's theism extends only so far as his advocacy of the "Christian Golden Rule - that we are to love one another as we love ourselves".<sup>85</sup> Long seemingly follows Fleischacker (2004: 44-45), who suggests that it is likely that Smith believes in God. However, he also argues that this is of limited importance:

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<sup>82</sup> Clark defines this as "...that type of economics which interprets things in the light of their origins, the influences which have made them what they are, and the processes by which they have achieved their present state" (*Ibid*, 53).

<sup>83</sup> Clarke notes the Catholic Church's ban on Copernicus was repealed in 1757, two years before the first edition of *The Theory of Moral Sentiments* (*Ibid*). Macfie 1967, Teichgraeber 1981, Fitzgibbons 1995, Raphael and Macfie 1982, and Vivenza 2001 also emphasise the influence of Stoicism on Smith's work.

<sup>84</sup> "In neoclassical economics the rational individual maximizes individually determined utility. For Smith the maximization of self-love is a social product. Markets may produce the best possible outcome, but only if we behave with a clearly defined social awareness" (Clarke 2000: 68).

<sup>85</sup> *Ibid*, 145, footnote 1. A stronger rejection of the importance of theology to Smith's system of thought is made by Peter Minowitz (1993: 132), who argues that Smith moves from deism in *TMS* to atheism in *WN*, thus perpetuating the two "Adam Smiths".

The issue is not whether Smith believes in a God, nor even whether he believes in a Providential God...but whether he *uses* the existence of a providential God as a *premise* in his social science arguments...And the answer to that question must be a careful ‘no’.<sup>86</sup>

Similarly to Haakonssen (1981: 77), for whom “[n]othing hinges on teleological explanations in Smith”, Fleischacker thus argues that: “Smith never requires belief in God as a condition for his empirical explanations to work”.<sup>87</sup> This view is supported by Montes (2004: 37-38), who notes that, although there are numerous metaphors in *TMS* that may be viewed as referring to deistic or theological subjects, compared to none in *WN*: “...if one omits these references...the structure and content of the *TMS* remain unaltered”. However, Montes also appears to favour arguments - such as Rothschild’s and Clarke’s - that claim Smith deliberately clouds his non-religious views in deistic rhetoric due to the social context. More sensibly, Montes notes:

[w]hether Smith merely drew on the widely used deistic language, or whether his use of this language was deeply felt, will probably remain a subject of controversy; just another “*Smith Problem*” (Montes 2004: 37-38).

As I argue in 2.3.1 and 3.1.2, Smith’s advocacy of “pure and rational” religion (Smith 1976 [1776], V.iii.3.8) appears to be one in which an individual’s relationship to their spiritual self need not be mediated by organised religion. This is consistent with Haakonssen’s (1981: 76) argument that, for Smith: “[r]eligion is more or less philosophical speculation which is superimposed upon men’s natural sentiments of morality...”<sup>88</sup> This is also a more modest argument than Morrow’s (1928: 170) view that Smith’s introduction of natural theology is an attempt to “...furnish a foundation

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<sup>86</sup> According to Fleischacker (2004: 71), Smith “...belongs among the Enlightenment thinkers who looked forward to the coming universal religion”.

<sup>87</sup> This goes against arguments such as Young (1997), who, as Long explains, emphasises the theological aspects of Smith’s naturalism, and for whom: “[t]here is a strong sense of plan, purpose and teleology in Smith” (Young, J. T. 1997 *Economics as a Moral Science: The Political Economy of Adam Smith*, Cheltenham: Edward Elgar, pp.15-16 cited in Long 2006: 129-130).

<sup>88</sup> Referring to Smith 1976 (1790), VI.ii.3.6 and *Ibid*, III.2.35, Haakonssen argues that, for Smith: “[r]eligious sentiments are at their most natural when they constitute the continuation of particular moral sentiments, but when they are made into a system they are a philosopher’s construction” (Haakonssen 1981: 76).



for morality independent of positive religion” which contradicts the non-prescriptive nature of Smith’s thought that Morrow appears to emphasise. Moreover, despite being more persuasive than those such as Rothschild and Viner that seek to argue that Smith obscures his opinions in both books, Morrow (1928: 166) argues that Smith’s:

...economic liberalism, his doctrine of the division of labour; and...his view of the primary role of self-interest in the economic order...were taught by Smith before going to France. It is therefore impossible to suppose that he underwent a radical change of view between the period of professorship at Glasgow and the appearance of the *Wealth of Nations*.

This is echoed by Viner (1928: 118), who argues, correctly, that: “[c]laims have been made for the Physiocrats, but the evidence indicates that Smith had already formulated his central doctrine before he came into contact with them or their writings”.<sup>89</sup> However, whereas for Viner this does not indicate consistency in Smith’s thought, for Morrow, the continuity between *TMS* and *WN* that this demonstrates highlights Smith’s consistent advocacy of individualism:

...the doctrine of sympathy is the necessary presupposition of the doctrine of the natural order expounded in the *Wealth of Nations*...Thus we arrive, by way of the *Moral Sentiments*, at a deeper understanding of that individualism which is presented in the economic liberalism and laissez-faire of the *Wealth of Nations* (Morrow 1928: 178).

However, just as Smith does not advocate religious dogma, he also does not propose individualism, economic liberalism or *laissez-faire*. As Macfie argues:

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<sup>89</sup> According to Richard Teichgraeber (1981), Viner is particularly influenced by Wilhelm Paszkowski, for whom *TMS* is a traditional, normative piece of moral theory, and *WN* a purely technical inquiry. In contrast, according to Teichgraeber, Morrow is influenced by Richard Zeyss, who argues that there is no contradiction in Smith’s moral and economic theories (Paszkowski, W. [1890] *Adam Smith als Moralphilosoph*; Zeyss, R. [1889] *Adam Smith und der Eigennutz* cited in Teichgraeber 1981: 105-108). Viner also possibly follows T. E. Cliffe Leslie (1870), who attributes a deism to Smith. However, according to Henry Bittermann, Viner goes against Leslie’s view that: “Adam Smith’s political economy and the rest of his philosophy were part of a single scheme” (Bittermann 1940a: 489). As Bittermann notes, Leslie: “...emphasized Smith’s natural theology and attributed the doctrine of *laissez-faire* to it in large part” (*Ibid*; See also Montes 2004: 37).

...there is an *implicit* social theory which develops through his treatment of sympathy and the impartial spectator, and that this in fact is the theory which directs and dominates all Smith's thought (Macfie 1953: 218-219 [italics in original]).

This view arguably reflects Oncken's argument that Smith's thought is "...a system of Moral Philosophy, in which Political Economy forms but a part" (Oncken 1887: 449). Certainly, this is a more convincing account than Morrow's argument that the consistency of Smith's thought is due to his advocacy of individualism, and Viner's suggestion that claims regarding its continuity are based on the deliberate distortion of his own thought. According to Viner (1928: 138):

...[w]hen Smith revised his *Theory of Moral Sentiments* he was elderly and unwell...[yet] he had retained his capacity to overlook the absence of complete coordination and unity in that philosophy.

Despite the evident weakness of such a claim, it arguably represents a meeting point between contemporary heterodox views that attribute Smith's erroneous reputation as a *laissez-faire* economist to his deliberate distortion of his private opinions, and yet attempt to challenge this characterisation by emphasising different aspects of his thought. Viner's redefinition of the *Adam Smith Problem* arguably connects these arguments to its original proponents' views on Smith's alleged theological leanings. Indeed, according to Schmoller (1907: 126), Smith was "an errand boy of Calvinism and of devout theists".<sup>90</sup>

As noted, Hill, Evensky and Firth's adherence to Viner's stress upon Smith's supposed theological convictions is challenged by Rothschild, Fleischacker and Montes' reflection of Morrow's decision to de-emphasise this aspect of Smith's thought. The existence of such divisions between authors that utilise holistic readings

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<sup>90</sup> Schmoller, G. (1907) Adam Smith. *Internationale Wochenschrift für Wissenschaft, Kunst und Technik*: 327–36; 373–8, p.126 cited in O'Brien 1992: 129.

of Smith therefore indicates the diverse nature of the heterodox debate, as well as its connection to earlier arguments that continue to influence orthodox accounts. This additionally demonstrates that, despite ostensibly putting forward more sophisticated arguments regarding Smith's meaning and motives than their orthodox counterparts, they are in similar danger of influencing subsequent debate with a complacent approach.

### 1.3.3) The clarity of Smith's views

As Montes (2004: 2) correctly notes: “[m]any current positions in economics not only adapt what Smith said, but are also rather quick and uncritical in attempting to make his words fit into a particular framework of modern economic ideas”. Despite their critique of such an approach, some heterodox authors replicate this tendency. This is arguably the case with Fleischacker (2004: 261-263), who notes that authors tend to adopt the parts of a writer's work that they find useful, whilst ignoring those parts that may challenge their point of view.<sup>91</sup> Despite this, Fleischacker argues that this is facilitated by Smith's restraint from engaging in direct moral commentary in *WN*, which leaves him particularly open to misunderstanding: “...he [Smith] seems to have achieved this impartial tone too well, leading people, wrongly, to suppose that he left his moral beliefs behind when he came to write *The Wealth of Nations*” (Fleischacker 2004: xv). This echoes Bittermann's comments about *TMS*:

It is easy...to attribute to Smith some of the ideas of his predecessors and to supply the gaps in his own exposition from their theories, particularly since he did not always state his assumptions or how he differed from the writers whom he cites. His style itself, especially the florid rhetoric of the *Moral Sentiments*, is a fruitful source of confusion (Bittermann 1940a: 490).

Fleischacker's (2004: 5) detection of an “ironic stance and tone” in both books also resembles Rothschild's argument that Smith deliberately writes “...in such a way that his ideas could indeed mean different things to different people”, which, she argues, contributes to the “extraordinary multiplicity of understandings” of Smith's work

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<sup>91</sup> Fleischacker 2004: 261-263. As Rothschild notes, an early example of this attitude towards Smith is found in the 1795 Parliamentary debate regarding the establishment of a minimum wage, in which William Pitt, who was in favour of removing labour regulations, invokes Smith's free trading principles found in Book IV of *WN*, whereas Samuel Whitbread appeals to Smith's support for higher wages for the workers as found in Book I (Rothschild 2001: 61-62). Fleischacker (2004: 263-264) also points to Smith being invoked on both sides of the debate regarding the establishment of the Combination Acts during 1799-1800, and in their repeal in 1924. According to Fleischacker, other figures that use Smith around this time in support of their political arguments include John Millar, Richard Price, Thomas Paine, Jeremy Bentham, Marie-Jean Condorcet, the Abbé Sièyes, and Mary Wollstonecroft; and also include Frederick Eden, Thomas Malthus, and Edmund Burke.

(Rothschild 2002 [online]). In contrast, Tribe (1999: 612; 619) attributes disputes over “what Smith meant” to the lack of primary sources left for posterity. As he explains: “Smith’s published corpus of writings was small, he was a poor correspondent, and shortly before his death most of his surviving papers were burnt at his instruction”.<sup>92</sup> However, it is arguable that taking such care to select for posterity which aspects of his carefully edited *oeuvre* he considers worthy of preservation clearly demonstrates that Smith neither intends to mislead his audience, nor is particularly open to misinterpretation.

Indeed, Marcelo Dascal (2006: 79-80) points out that one of the essays that Smith did not request to be burned - *Considerations Concerning the First Formation of Languages and the Different Genius of original and compounded Languages*<sup>93</sup> - is typical of “...an extremely self-conscious writer, whose care for style and clarity of exposition was apparent in all his writings - a fact that was highly praised by his contemporaries and by present-day readers alike”. It is interesting therefore to briefly consider this part of Smith’s thought. As J. C. Bryce notes, Dugald Stewart (1793, II.24) considers *Languages* to be: “...an essay of great ingenuity, and on which the author himself set a high value...” In it, Smith remarks:

[w]hat constitutes a species is merely a number of objects, bearing a certain degree of resemblance to one another, and on that account denominated by a single appellation, which may be applied to express any one of them (Smith 1983, *Languages*, 2: 205).

As Dascal (2006: 91) explains, Smith thus observes that languages develop via the increasing degree of sophistication of mental operations required over time. This is

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<sup>92</sup> As Tribe explains: “...there are no manuscripts, few letters, no third-party memoirs” (*Ibid*, 619). Tribe notes that there are “...only 179 surviving letters from Smith, plus 53 missing - for a man who lived to the (then) respectable age of 67 not even an average of four a year” (Mossner and Ross, intro to Smith 1987: viii, cited in Tribe 1999: 614).

<sup>93</sup> Hereafter referred to as *Languages*.

arguably linked to his discussions elsewhere in his *oeuvre* regarding the evolutionary nature of the development of knowledge and morality. This is emphasized by Dugald Stewart (1793), who identifies the main value of *Languages* as its provision of an early example of Smith's "*Theoretical or Conjectural History*", an approach Stewart identifies throughout Smith's work. As Bryce points out, for Stewart:

"The known principles of human nature"; "the natural succession of inventions and discoveries"; "the circumstances of society" - these are the foundations on which rests Smith's thinking "whatever be the nature of his subject"; astronomy, politics, economics, literature, language (Stewart 1793, II.44-56, cited in Bryce, intro to Smith 1983: 24).

Smith's methodology is also reflected in the rhetorical style that he chooses to employ. As Dascal (2006: 105) explains: "...unlike the dominant tendency among the rhetoricians of his time, who focused on the 'ornamental' role of language, Smith viewed style as a comprehensive mirror of the mind". Smith clarifies his rhetorical position in *Lectures on Rhetoric and Belles Lettres*:<sup>94</sup> "[w]hen the sentiment of the speaker is expressed in a neat, clear, plain and clever manner...then and only then the expression has all the force and beauty that language can give it" (Smith 1983, Lecture 6, v.56). Smith also criticises Lord Shaftesbury's "pompous and grand stile" (Smith 1983, Lecture 5, v.51), and is fulsome in his appreciation of Henry Viscount Bolingbroke's and Jonathan Swift's "plain" style (*Ibid*, Lecture 2, i.10). As he suggests: "...the most beautiful passages are generally the most simple" (*Ibid*, Lecture 7, i.74-75).

Smith also identifies two types of eloquence here: deliberative, or "Socratick" eloquence, and judicial, or "Aristotelian" eloquence, noting that the type employed

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<sup>94</sup> Hereafter referred to as *LRBL*.

depends upon the orator's judgement of their audience (*Ibid*, Lecture 24, i.135-136).<sup>95</sup>

As such, he is clearly aware that the context in which one speaks informs the rhetorical method one employs. Recognition of this helps to explain why "...the ethical overtones are damped down" in *WN* compared to *TMS*, as Macfie (1959: 211) points out, as Smith is simply choosing to emphasise certain aspects of his thought at different times depending upon his subject matter and potential audience.

The significance that Smith attached to the correct presentation of his views is also reflected in the assiduousness he displayed regarding his published work, as the six editions of *TMS* and five editions of *WN* published during his lifetime demonstrate.<sup>96</sup>

As is well known, Smith drafted and re-drafted the opening chapter of *WN* numerous times over a period of thirteen years, changing only the presentation of his argument. This goes against Viner (1928: 137), for whom Smith "...displayed a fine tolerance for a generous measure of inconsistency", and Rothschild (2001: 66), for whom Smith is: "...extraordinarily cautious and elusive when he writes about current policies in *the Wealth of Nations*". However, as discussed, Smith clearly and consistently presents his critique of areas such as mercantilism, religion and apprenticeships in a succinct, yet rarely ambiguous, manner.

Indeed, as Walter Eltis argues: "Smith was remarkably forthright about some of the central political issues of the 1770s. Book IV [of *WN* contains]...scarcely the words

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<sup>95</sup> "The Deliberative was such as they used in their councils and assemblies on matters of Consequence to the State; and the Judicial was that used in proceedings before a court of Justice" (*Ibid*, Lecture 12, i.153). As Campbell and Skinner (1982: 77) point out, Smith advocates the former method when an audience needs persuading, and the latter when the audience merely requires confirmation.

<sup>96</sup> Montes 2004: 18. As Montes notes, Smith took five years to revise the sixth edition of *TMS* (*Ibid*). Indeed, in a letter to Thomas Cadell, Smith writes: "I have been labouring very hard in preparing the proposed new edition of the Theory of Moral Sentiments" (Letter from Adam Smith to Thomas Cadell, 31st March 1789, in Smith 1987, letter 287, pp.319-320). Such thoroughness is also evident in a letter to his publisher in which Smith makes clear his eagerness that his ideas are presented correctly (Letter from Adam Smith to William Strahan, 4<sup>th</sup> April 1760, in Smith 1987, letter 50, pp.67-69).

of someone reluctant or even afraid to express his true political opinions” (Eltis 2004: 152-156). Such a view appears to revert to the book’s original reception. As Fleischacker (2004: 20-21) notes, Edward Gibbon and Hugh Blair comment, respectively, that Smith uses “the most perspicuous language”,<sup>97</sup> and is “clear and distinct to the last degree”.<sup>98</sup> To be sure, as Smith states in *WN*: “I am always willing to run some hazard of being tedious in order to be sure that I am perspicuous” (Smith 1976 [1776] I.iv.18). Therefore, by returning to what Smith says rather than speculating upon what he means, we can see that heterodox claims to have overcome the supposedly exclusively orthodox tendency to find one’s “own innermost preoccupations mirrored” (Jaffé 1977: 25) in Smith’s work are overstated.

Indeed, in attempting to reconcile his *oeuvre* whilst claiming that he deliberately attempts to deceive his audience, it would appear that heterodox authors such as Rothschild engage in the type of “gap filling” usually associated with orthodox economists. Rather than focussing upon erroneous orthodox arguments in which Smith’s books are deemed to be irreconcilable, which is an established heterodox criticism, and proceeding to attempt to “reclaim” his most famous metaphors and sentences, it is surely more fruitful to acknowledge the significance of Smith’s consistently careful choice of language when considering recurring themes in his work.

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<sup>97</sup> Letter from Edward Gibbon to Adam Ferguson, 1<sup>st</sup> April 1776, in Ferguson 1995, letter 86, p.138.

<sup>98</sup> Letter from Hugh Blair to Adam Smith, 3<sup>rd</sup> April 1776, in Smith 1987, letter 151, p.188.



## 1b) Chapter One conclusion

As discussed, despite the heterodox challenge, it is the neoclassical conceptualisation of Smith as a *laissez-faire* economist, based on a selective reading of his work, which continues to inform popular perceptions of his ideas. As I have also suggested, the holistic approach employed by certain heterodox authors in their attempts to challenge the ongoing dominance of these views fails to adequately confront this problem. In my view, this is because such critiques are often made on the terms set out by orthodox authors. This is particularly the case in their attempts to reclaim the “invisible hand”, a metaphor emphasised by these mainstream theorists rather than by Smith himself.<sup>99</sup> Rather than focussing upon mainstream interpretations of this metaphor, I have suggested in this chapter that Smith’s evidently connected *oeuvre* is best understood in terms of the recurring themes in his work, an approach that is unavailable to orthodox interpretations. This approach facilitates commentary upon specific areas of his thought without separating them from the rest of his views, thereby avoiding the tendency to challenge orthodox accounts by making claims as to “what Smith means” in particular passages, and then extrapolating this opinion into bold assertions regarding the alleged overarching intentions that Smith has for his entire *oeuvre*.

As with most opinions on Smith, my suggested approach is not new. As I have suggested, I am influenced by Macfie (e.g., 1967) and Winch (e.g., 1997), who challenge orthodox interpretations through accurate evaluation of specific areas of Smith’s thought in relation to consistent themes in his work. As such, they are able to retain a critique based upon what Smith says rather than via interpretation of what he

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<sup>99</sup> As Rothschild notes, no mention is made of the “invisible hand” in the secondary literature on Smith until August Oncken’s *Adam Smith in der Culturgeschichte* in 1874 (Oncken 1874: 19 cited in Rothschild 2001: 289-290, footnote 9).

is assumed to mean by metaphors such as the invisible hand. This also enables them to avoid reiteration of the two “Adam Smiths” whilst successfully dismantling orthodox views.

Arguably, this approach reflects that of J. Shield Nicholson, who rejects misguided interpretations of Smith in his editors’ introduction to the 1895 edition of *WN*. Unlike Cannan, Shield Nicholson does not seek to challenge the German Historical School by terming Smith a consistent, albeit *laissez-faire*, theorist. In addition, Shield Nicholson does not attempt to rectify the supposed two “Adam Smiths” by focussing upon the invisible hand metaphor. Instead, he utilises a holistic approach that enables him to maintain a critique of the orthodoxy without focussing on “reclaiming” parts of Smith’s argument that he himself does not emphasise. As such, Shield Nicholson demonstrates that it is more productive to concentrate on what Smith says rather than to argue about “what Smith means”. This approach enables him to argue authoritatively that: “[t]he ‘economic man’, the supposed incarnation of selfishness, is no creation of Adam Smith...Smith treats of actual societies, and considers the normal conduct of average individuals” (Shield Nicholson 1895: 13-14).

Watson arguably echoes this approach. As he suggests: “[e]ven in *WN*, though his [Smith’s] main concern is with the economic side, he is concerned with *real* men in the markets, not the abstraction, economic man, of the later economists”. Alluding to the mirror metaphor in Book III of *TMS*, Watson claims that, for Smith, it is purposive exchange within society that grants agents their identity. Therefore, as long as economic activity occurs within society, the abstract self-interest of neoclassical theory cannot be the motivation for it (Watson 2005: 5-7). Similarly, Stuart Plattner (1989: 210-214) points out that whereas the hypothetical perfectly competitive

markets of neoclassical theory are based upon the assumption of impersonal transactions between atomized individuals, in the real world, personalized transactions occur between people within relationships that are embedded in networks of social relations that endure past the exchange itself, as Smith suggests. As Peil rightly argues, therefore:

Smith's sympathy based theory of man and society reminds us not to reduce the multidimensional jumble of all the different webs of exchanges that comprise a market economy to a mechanism driven by general and abstract price signals (Peil 1999: 145).

The central importance of the concept of sympathy to Smith's thought is only facilitated by a thoroughly holistic reading of his work. It is through such a reading we are able to see that Smith consistently provides an alternative to the self-interested "rational economic man" that orthodox economists attribute to him without reproducing the two "Adam Smiths" upon which their interpretation rests. As Amartya Sen (1987: 28) argues:

[t]he professor of moral philosophy and the pioneer economist [Smith] did not, in fact, lead a life of spectacular schizophrenia. Indeed, it is precisely the narrowing of the broad Smithian view of human beings, in modern economics, that can be seen as one of the major deficiencies of contemporary economic theory.

According to Fleischacker (2004: 15), this is caused by orthodox economists who engage in an active attempt "...to pull Smith into a framework that these scholars feel must fit him, whether in fact it does or does not". As argued in 1.3.1-3, however, this "narrowing" does not derive exclusively from orthodox economists' approaches. Nevertheless, it is this interpretation that continues to predominantly inform popular and academic characterisations of Smith's work.

Despite this, it might appear that awareness of the connected nature of his thought is increasing. In a quantitative study of citations of Smith in academic journals between 1970 and 1997 from various fields, Jonathan Wight identifies an increase in citations of *TMS* across the social sciences. However, as he also shows, this “stunning resurrection” of *TMS* is not reflected in economics journals. Rather, these citations occur in journals from fields such as law, sociology, psychology, and political science. Moreover, Wight also shows that, despite an increase across the sample of citations of *TMS* to *WN* from 0.08 in 1971-1972 to 0.21 in 1996-1997, economics journals still account for a higher percentage of Smith citations overall: 50.2% compared to 49.8% in other fields.<sup>100</sup>

Wight also notes a decline in citations of Smith in economics journals from the mid-1970s onwards. It is tempting to reflect that this trend is due to the inability of orthodox economists to engage with the increasingly accepted view outside of their discipline as to the connected nature of *TMS* and *WN*. This is consistent with heterodox criticisms of the outmoded nature of neoclassical interpretations, and the alleged death of the *Adam Smith Problem* since the publication of the Glasgow editions of Smith’s works in the 1970s, as discussed in 1.2.4. Indeed, when economists do invoke Smith, it is still mainly in terms of citations from *WN*, as Wight’s article demonstrates. Conversely, whilst scholars in other fields have apparently welcomed a holistic interpretation of Smith, they consistently cite *TMS* in preference to *WN*. This suggests that not only is an instrumental approach towards Smith continuing across the social sciences, but that heterodox claims to have

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<sup>100</sup> Wight 2002: 70-74. These “other fields” also include journals in the areas of anthropology, natural science, general social science, history, philosophy, education, health, international studies and natural resources (Wight 2002: 73).

challenged orthodox views are overstated. As such, the two “Adam Smiths” arguably lives on.

As discussed, however, Smith’s *oeuvre* contains consistent themes, and ought to be assessed as such. Despite broad agreement on this within the more sophisticated literature, there is an ongoing tendency to read one’s own preoccupations into Smith’s thought in heterodox and orthodox interpretations of his work. As I have shown, this adds complexity to the secondary debate, wherein various claims to Smith’s “real” meaning are made that are repeated uncritically by non-specialists drawn to certain aspects of his work. A related problem is that original sources of agreement and disagreement within and across these debates are often unclear. I have attempted to address this problem by demarcating points of departure within the debate via discussion of likely sources of influence on contemporary understandings of Smith’s work (see Fig.1). In a similar manner, the likely influences upon his thought are considered in the next chapter.

## **CHAPTER TWO: THE SCOTTISH ENLIGHTENMENT**

## 2a) Introduction

In this chapter, I assess Smith's influences. My approach here is not unusual - as Jack Barbalet (2005: 171-174) suggests, attempts to locate the sources of Smith's ideas tend to focus upon their classical antecedents and the influence of Francis Hutcheson and David Hume. However, it is essential to consider these influences to which Smith implicitly or explicitly refers, rejects or builds upon in order to understand his thought more clearly. As in the previous chapter, I avoid speculation as to Smith's intended meaning in order to focus upon his own views as expressed in his works and correspondence. In addition to tracing the connections between Smith, Hutcheson and Hume in this manner, I attempt to understand the nature and significance of the intellectual distance between Smith and his contemporaries in the Scottish Enlightenment in order to gain insight into a key area of Smith's thought: his intersubjective notion of virtue.

As Lisa Hill (2003: 1) points out: "...it is common to see the views of Scottish Enlightenment figures conflated as though they constituted a synthetic school of thought". First used by W. R. Scott in 1900, the term the 'Scottish Enlightenment' is employed by authors such as Hugh Trevor-Roper (e.g., 2001 [1967]), John Pocock (e.g., 1983), and Nicholas Phillipson (e.g., 1983)<sup>101</sup> to distinguish Scottish from European thought in the period 1740-1780 (Moore 1990: 37; Robertson 1997: 4). However, both share a discernible commitment to civic humanism. As Jeremy Jennings points out, this was the prevailing ideology in Europe during this period, as is reflected by Jean-Jacques Rousseau's (1750) view that: "...luxury is diametrically

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<sup>101</sup> Robertson (1997 [online]); Withers 2000: 95. See Emerson 1990: 32-33.

opposed to good morals”.<sup>102</sup> This raises two points. Firstly, it suggests that the majority of Scottish thought in this period is not as distinct from its European equivalent as some authors suppose. Secondly, and of more importance to my discussion, this also highlights Smith’s intellectual distance from his peers.

As Istvan Hont and Michael Ignatieff (1983: 8) point out, Smith: “...dissented strongly from the civic moralist jeremiads on the impact of luxury upon the industry and the morals of the poor”.<sup>103</sup> This is in contrast to his Scottish contemporaries, whose advocacy of Christian education to remedy the allegedly pernicious effects of commerce upon morality reflects the ongoing influence of Scottish Protestantism (Chitnis 1976:14). As Robert Davis (2003: 568-571) explains, the programme of central planning of Scottish education as advocated by John Knox (1559) and Samuel Rutherford (1644) aimed to promote a national theology rooted in the patriotic rhetoric of the struggle for Scottish independence from England in the fourteenth and fifteenth centuries.<sup>104</sup> Despite a retreat from this appeal following the 1707 Act of Union with England, its patriotic, conservative, theocratic utopianism is retained in the views of the Scottish authors such as Reid and Ferguson during the eighteenth century. As Davis (2003: 574) points out, during this period: “[a]lmost without exception, Scottish intellectuals were prepared to acquiesce in the continuing institutional control of education by the Church”.

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<sup>102</sup> Rousseau, J-J. (1997 [1750]) *The Discourses and other early political writings*, translated by Victor Gourevitch, Cambridge: Cambridge University Press, pp.1-28, cited in Jennings 2007: 81-82; Rasmussen (2006: 309).

<sup>103</sup> Indeed, Smith’s critique of luxury is based on its inefficiency as a form of consumption rather than its potential for moral corruption, a point that he makes clearly in the “invisible hand” passage in *TMS* (Smith 1976 [1790], IV.i.6-10). See also Winch 1983a: 262.

<sup>104</sup> In *Brief Exhortation to England* (1559), Knox promotes the notion of the Scots as a chosen people. Utilising Old Testament discourse, Knox argues that education would increase awareness of this “fact” whilst enabling Scotland to achieve a perfect polity (Davis 2003: 568-571).



Smith provides an exception. Indeed, his opposition to state-sponsored religion, antipathy towards formal schooling based upon Christian teaching and preference for natural jurisprudence informs his intersubjective account of morality, which further confirms his distance from the theocratic universalism of his peers.<sup>105</sup> In this, he is influenced by Hutcheson and Hume. As I discuss in 2.1.1-2.1.4, Smith develops Hutcheson's Stoic notion of man's sociability and Hume's natural theory of justice, which allows Smith to make reference to morality independently from notions of God. This is typical of his approach, in which abstract philosophical concerns are often related to practical matters via implicit reference to a combination of immediate and classical influences. Indeed, as Campbell (1982: 10) points out, Smith's ideas regarding the "natural progress of opulence" may be considered abstract, yet it demonstrates real-world impediments to such progress.<sup>106</sup> One such constraint is the perceived impiety of gain, as expressed by Henry Thomas Buckle (1790), who advocates "complete resignation to the Divine will", and for whom it is "...wrong for a man to wish to advance himself in life, or in any way better his condition".<sup>107</sup> Smith's pragmatic analysis regarding our natural propensity to desire to better our condition therefore affords room for improvement within a conservative society (Smith 1976 [1776], IV.ii.9; I.ii.1-2).

As such, Schumpeter is incorrect to suggest that Smith's work is: "...thoroughly in sympathy to the humours of his time".<sup>108</sup> Indeed, as Thomas Sowell's (1979: 3-19) study of contemporary parliamentary debates and reviews in journals demonstrates, this is not the case. Certainly, when one considers Winch's point that no Enlightenment author "...executed a work remotely like Smith's *An Inquiry Into the*

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<sup>105</sup> See Skinner 1982: 2-4; Winch 1983a: 268.

<sup>106</sup> See, for example, Book IV of *WN*.

<sup>107</sup> Buckle, H. T. (1970 [1861 (1790)]) *On Scotland and the Scotch Intellect*, edited by H. J. Hanham, Chicago, IL: University of Chicago, pp.223-224, cited in Campbell 1982: 13.

<sup>108</sup> Schumpeter 1953: 184-185 cited in Teichgraeber 1987: 338.

*Nature and Causes of the Wealth of Nations*” apart from James Steuart - whose mercantilist *An Inquiry into the Principles of Political Oeconomy* (1767) was dismissed by Smith - his relationship to the Scottish Enlightenment authors appears to be one of similar sources of intellectual inspiration resulting in dissimilar conclusions.<sup>109</sup>

Despite being referred to by figures such as Adam Ferguson, William Robertson and John Millar, Smith does not refer to them (Winch 1992: 98). As Raphael and Macfie point out, the influence of these and other Scottish Enlightenment figures on Smith’s thought is “remarkably small”.<sup>110</sup> As noted, the exceptions are Hutcheson and Hume. In 2.1.1-4, I discern the extent of their influence upon Smith and the nature of his subsequent move beyond them. I also assess the likely classical influences upon Smith’s negative conceptualisation of justice. This relates to my argument in 2.2.1-4, where I suggest that Smith rejects his contemporaries’ fears for the moral degradation of society in its commercial stage. Discussion of these authors’ views serves to highlight Smith’s distance from such arguments, a theme that is developed in 2.3.1-4, where his view that morality is partially socially constructed yet also refers to certain observable general standards is discussed.

This chapter concludes that, unlike many of his contemporaries, Smith does not posit an objective, immutable truth towards which society ought to be aimed and by which moral behaviour is to be evaluated. Instead, he considers the best practicable society

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<sup>109</sup> Winch 1983a: 253-270; Campbell 1982: 20; Dow, Dow, Hutton 1997: 374. In a letter to William Pulteney, Smith states: “I have the same opinion of Sir James Stewart’s [*sic*] book that you have. Without once mentioning it, I flatter myself, that every false principle in it, will meet with a clear and distinct confrontation in mine” (Letter from Adam Smith to William Pulteney, 3<sup>rd</sup> September 1772, in Smith 1987, letter 132, p.164).

<sup>110</sup> Raphael and Macfie, intro to Smith 1976 (1790), pp.10-13. Of his contemporaries in Scotland, Smith only mentions Hutcheson (e.g., Smith 1976 [1790], VII.ii.3.3-12), Kames (*Ibid*, II.ii.1.5) and Hume (Smith 1976 [1776], II.ii.96; II.iv.9).

that might be achieved via individuals' conscientious reflection upon their own and others' actions and motives. Arguably, the pronounced flexibility of Smith's thought that is highlighted by comparison to his contemporaries additionally demonstrates its enduring relevance, as well as its connection to the thought of William James, which is discussed in Chapter Three of this thesis.

## Part One: Smith's influences

### 2.1.1) Hutcheson

In the seventeenth century, moderates in Scotland such as Robert Leighton advocated the importance of the working out of a godly life through relationships with others in society, urging a focus upon personal conduct and the avoidance of theological speculation. Such a spirit of self-determination within a social and religious framework can be said to have influenced the ideas of Francis Hutcheson, who is credited with laying the intellectual foundations for eighteenth century Scottish moral philosophy during his seventeen years as Professor of Moral Philosophy at Glasgow University from 1729. Of additional importance to Hutcheson's moral philosophy are the broader intellectual shifts of the European Enlightenment upon Scottish thought during the eighteenth century, particularly Newton's experimental method and Montesquieu's legal ideas (Chitnis 1976: 58-59).<sup>111</sup>

Most notably, Hutcheson's moral philosophy represents a challenge to epistemological scepticism. According to him, our ideas of beauty and virtue are real ideas perceived by internal senses, which are distinct from the sensations of the external senses (Haakonssen 1996: 73; Hope 1989: 48). For Hutcheson, therefore, our knowledge of objects is immediate, not mediate, as they are presented as an irresistible force to the mind. Hutcheson points to the five senses as evidence of the mind's determination to receive ideas independently of our rational will. He also refers to our other "senses": the external, internal, public, and moral senses, and the sense of honour. According to Hutcheson, these senses provide evidence of original desires for beauty and virtue, which may be highlighted by comparison to the

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<sup>111</sup> According to Montesquieu, man is "...formed to live in society" (Montesquieu 1914 [1752], I.1). As Gloria Vivenza (2001: 96) notes, of particular interest to Hutcheson is Montesquieu's distinction between: "...law as reason and law as a creation of social circumstances".

secondary desires they prompt, such as the desire for wealth, through the abilities of reflection and remembrance.

The most significant of these senses to Hutcheson's scheme is the moral sense, which, he argues, grants individuals irresistible recognition of virtue and vice. According to Hutcheson, this is a faculty of the mind that judges the moral quality of the actions or emotions of oneself and others, which represents an approval of virtue and disapproval of vice through feeling rather than via intellectual judgement (Broadie 1990: 93-96; Dwyer 1982: 302).<sup>112</sup> For Hutcheson, although the motivation for such judgements is subjective and emotive, the resulting moral judgement may still have independent truth-value insofar as the laws of nature have their origin in certain dispositions, such as our capacity for benevolent motivation. As Haakonssen (1996: 74-78) points out, this reasoning enables Hutcheson to conclude that there is a divine benevolence behind this system, of which we are all aware via the moral sense.<sup>113</sup>

Despite referring to the simple ideas received by the moral sense as "approval" and "disapproval", Hutcheson (1728: 216) is insistent that this does not mean that individuals are benevolent merely because they approve of benevolence, as: "...our approbation of moral conduct is very different from liking it merely as the occasion of pleasure to ourselves in gratifying these kind affections".<sup>114</sup> In order to support this, Hutcheson points to the dualism of human motivation. Despite acknowledging that

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<sup>112</sup> According to Hutcheson, once we have perceived an action by ordinary perception, our "moral sense" responds with feelings of approbation or disapprobation (Norton 1982: 132; Hope 1989: 39).

<sup>113</sup> According to Hutcheson, such superior moral motivation is therefore the basis for natural law. It is love or benevolence that "excites toward the Person in whom we observe it" an "Esteem, or Perception of moral Excellence" (Hutcheson, F. [1729] *An Inquiry into the Original of Our Ideas of Beauty and Virtue In Two Treatises*, third edition, pp.128-130 cited in Haakonssen 1996: 73).

<sup>114</sup> Hutcheson, F. (1728) *An Essay on the Nature and Conduct of the Passions and Affections with Illustrations on the Moral Sense*, p.216, cited in Campbell 1982: 172. Hutcheson: "...is adamant that there is a perception of virtue quite distinct from the pleasure of contemplating its effects" (Campbell 1982: 172) yet does not seem to be able to advance on Shaftesbury's tautological notion that we instinctively desire public good and are pleased by its pursuit and its result (Hope 1989: 13).

self-love is a stronger tendency than benevolence, he argues that calm reflection will recommend the latter tendency to us as we become aware that it is only benevolence that will make us truly happy. Therefore, in opposition to the early eighteenth century reformed Scholasticism of Calvinists such as Gershom Carmichael (e.g., 1724 [2002]), who followed Augustinian theology's concept of the innate sinfulness of Man, Hutcheson argues that our errors in moral and aesthetic judgements are not due to the "Fall" of mankind, nor are they representative of sceptical notions that reject notions of innate morality. Rather, Hutcheson suggests that we are misled by custom, by poor education, and by misleading associations of ideas.<sup>115</sup>

In this way, Hutcheson attempts to show that the restraint of our individual rights by considerations of the common good is morally well founded whilst highlighting that people are naturally inclined towards benevolent actions and approve of this virtue in others. However, Hutcheson is willing to see the principle of utility applied as a legislative principle, arguing that Government can and should attempt to obtain for individuals the benefits that come from organised social cooperation, due to the weakness of the average person's moral reasoning.<sup>116</sup> In addition, in order to avoid criticisms that we cannot truly know that another person's motivation does not spring merely from self-interest, Hutcheson also argues that we can calculate the action's consequences in terms of the "greatest happiness" principle, then retrospectively reconstruct the motive by drawing on our experience.<sup>117</sup> As Vincent Hope points out, therefore, after initially claiming that virtue depends on goodwill as its motive,

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<sup>115</sup> Campbell 1982: 169; Moore 1990: 44-55; Herdt 1997: 28; Haakonssen 1990: 70-72.

<sup>116</sup> As Campbell (1982: 173-180) notes, Hutcheson is willing to trust the ordinary person where extensive reasoning is not required. However, his enthusiasm for governmental intervention and education may be seen to be conflated by the Common Sense theorists, whose ideas are discussed in 2.2.1-4.

<sup>117</sup> In Treatise II of *An Inquiry into the Original of Our Ideas of Beauty and Virtue In Two Treatises* (1725), Hutcheson measures "right" and "wrong" by the greatest happiness of the greatest number: "...that Action is best, which procures the greatest Happiness for the greatest Numbers; and that, worst, which, in like manner, occasions Misery" (Hutcheson 1729, II.iii.8).

Hutcheson increasingly refers to utility. However, as moral worth is characterised as a matter of useful public benevolence, his mathematical utilitarianism does not guide virtue, as he suggests, because the fact that an action makes more people happy does not necessarily mean that it is morally right.<sup>118</sup>

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<sup>118</sup> Hope 1989: 23-31. This is of further interest when one considers the rights of minorities, a subject Smith appeals to in *WN* in his discussion of religious sects (See Smith 1976 [1776], V.iii.3).

### 2.1.2) Hutcheson and Hume

As Alexander Broadie (1990: 95) explains, David Hume develops Hutcheson's ideas regarding irresistibility and utilitarianism, albeit in ways to which he did not assent. For Hutcheson, the differences between his ideas and those of Hume are however "neither few nor insignificant". Indeed, Hutcheson's well-known opposition to Hume's intention to be appointed Professor of Moral Philosophy at Edinburgh in 1744 is based upon his rejection of Hume's alleged scepticism (Moore 1994: 27).

In the first sentence of *A Treatise of Human Nature* (1739) Hume proclaims that: "[a]ll the perceptions of the human mind resolve themselves into two distinct kinds, which I shall call IMPRESSIONS and IDEAS". Hume explains here that an impression is made by the apprehension of an object, whereupon reflection renders an idea of it in the mind. These simple ideas are re-presentations of preceding impressions, out of which a complex idea is formed. To Hume, this is readily evident, as: "[e]veryone of himself will readily perceive the difference betwixt feeling and thinking" (Hume 1896 [1739], I.i.1). The importance of this observation is manifest in his view that ideas philosophers claim to have are not ideas to which there is a corresponding impression.

However, as Broadie points out, Hume does not deny the existence of an external world. Rather, he concludes that it is largely a product of our imagination and therefore does not correspond to a preceding unitary impression. In contrast to Hutcheson, Hume claims that individuals have an idea of necessary connection through expectations of familiar processes from experience that are then read as a feature of the world. As such, he argues that it is by the activity of the imagination that we see the self, a "bundle or collection of different perceptions" (*Ibid*, I.iv.6) as possessing a personal identity, which develops in society and develops knowledge of



itself through its relations with others. This additionally enables Hume to explain how beliefs arise, arguing that certain standards are chosen via connections established through associations between certain dispositions and actions, and their socially recognised painful or pleasurable outcomes (Broadie 1990: 95-103).<sup>119</sup>

As Moore (1994: 27-32) notes, Hume's innovation here is that such conventions allow us to believe that others will be just in their behaviour, thereby enabling us to conceive of the idea of justice in a more vivid manner. Hume's notions of contiguity and association therefore enable us to have an interest in respecting another's property, as it is a general rule, while stating, in contrast to Hutcheson, that the source of this impression is artificial. To Hume, the virtues necessary to regulate impersonal relations do not arise from natural motives, but: "...artificially, tho' necessarily from education, and human conventions" (Hume 1896 [1739], III.ii.1).<sup>120</sup>

In this way, and in contrast to popular moral philosophy that invokes the internalisation of God's will, Hume is able to suggest that we internalise a social will that prompts self-loathing at being morally deficient through the mechanisms of social approbation and non-approbation. Hume therefore attempts to advance from Hutcheson's moral sense theory by developing a viewpoint of universal sympathy, the social need for a common measure: "[t]he intercourse of sentiments therefore in society and conversation makes us form some general unalterable standard by which we may approve and disapprove of characters and manners" (Hume 1896 [1739], III.iii.3; Haakonssen 1996: 104-109; Hope 1989: 55-60). According to Hume, the

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<sup>119</sup> Hume claims that: "...we cannot go beyond experience" (Hume 1896 [1739], intro). The notion of the self within society is of course also a theme of Hutcheson's inquiry, and recognised as a key concern of Enlightenment thought. Adam Smith's concept of the self is discussed in detail in 3.1.2.

<sup>120</sup> As he argues: "*General rules* create a species of probability, which sometimes influences the judgement, and always the imagination" (Hume 1896 [1739], III.ii.1 [italics in original]). See Mercer 1972: 56; Haakonssen 1996: 108.

practice of praising or blaming by these criteria instils in us a desire to adhere to those rules. Indeed, whereas Hutcheson views conventions as bolstering our natural tendency to benevolence, for Hume, the inherent weakness and self-interestedness of individuals necessitates such conventions.<sup>121</sup> Moreover, these traits are useful. Hume suggests that vanity in relation to what others think of us should “... be esteemed a social passion, and a bond of union among men”, as an agent’s subsequent awareness of the benefits of morality will produce a morally self-regulating agent (Hume 1896 [1739], III.ii.2).<sup>122</sup>

Rather than represent a rejection of Hutcheson’s optimistic moral realist claims, Hume suggests that his view may be viewed as part of his “[t]ryal...to make the Moralist and Metaphysician agree a little better”. This view is expressed in Hume’s reply in 1740 to Hutcheson’s comments on a draft of Book III of *A Treatise of Human Nature*, ‘Of Morals’. As Moore points out, this letter reveals Hutcheson’s consideration that Hume’s moral philosophy lacks “Warmth in the Cause of Virtue”, to which Hume responds that, as a metaphysician engaging in abstract inquiry into the subject, was hardly surprising, yet that this does not exclude his findings from aiding a practical moralist such as Hutcheson.<sup>123</sup> This opinion is shared by a number of authors, for whom Hume’s views are contingent with Hutcheson’s moral philosophy. Prominent among these is David Norton (e.g., 1982), who argues that Hutcheson’s moral realism is to be found in Hume’s concept of concomitant ideas that represents

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<sup>121</sup> According to Hope, Hume concurs with Epicurus’s notion that knowledge of good and evil is based on pleasure and pain, and is discernible through reason (Hope 1989: 16). Hume is opposed to the “frivolous” Epicurean tradition, however. As Moore (1994: 27) explains, Hume may therefore be seen in the tradition of Epicurus, Lucretius and Horace, as revived by late seventeenth century French Pyrrhonians such as Bayle and Gassendi.

<sup>122</sup> This may be seen as a source of disagreement between Smith and Hume, as Smith condemns Mandeville’s use of vanity as a basis for propriety (See Smith 1976 [1790], VII.ii.4.7-8).

<sup>123</sup> Greig, J. Y. T. (1932) *The Letters of David Hume*. Oxford: Clarendon Press (hereafter referred to as HL): 32-40, cited in Moore 1994: 35-37. That Hume refers to Hutcheson’s experimental method in ethics at the beginning of *A Treatise of Human Nature* is widely recognised: the subtitle of the book is ‘*Being an attempt to introduce the experimental method of reasoning into moral subjects*’ (Hume 1896 [1739]).

tacit acknowledgement of a knowable, external world. As Norton suggests, to Hume, as to Hutcheson, one can assume a basic uniformity in our underlying human nature, which is supported by custom, as we have an idea of necessary connection through expectations of familiar processes from experience that are then read as a feature of the world. As such, although Hume is a metaphysical sceptic, he may, like Hutcheson, be considered a common-sense moralist (Norton 1982: 7-10).<sup>124</sup>

Yet for Hutcheson, the differences between his ideas and Hume's position are "neither few nor insignificant".<sup>125</sup> As Moore suggests, this is perhaps exacerbated by misunderstandings by both authors of each other's positions. As he notes, Hutcheson and Hume are both influenced by Cicero.<sup>126</sup> As such, Hume considers that Hutcheson must surely agree with Cicero's notion in *De finibus* that virtue cannot be its own motive, yet Hutcheson's aim is to prove the opposite. Similarly, Hutcheson considers Hume's understanding of human nature to be based upon an inadequate understanding of what is natural. Hume's response to this is that he purposely makes no attempt to explain why humanity has been created as this does not afford a philosophical response. More importantly, perhaps, Hume believes that Hutcheson must concur that one cannot know the sentiments of God, yet in all of his systems of moral philosophy, it is clear that he views as legitimate the claim that we may infer that God is benevolent.

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<sup>124</sup> According to Norton, Hume's moral epistemology posits that we are able to experience and isolate the common sentiments that enable us to distinguish virtue from vice, and right from wrong. These are natural sentiments shared by all, a point upon which Hutcheson would agree. For Norton, this is displayed in Hume's metaphysical position, in which there are moral distinctions grounded in real existences that are independent of the observer's mind, and his epistemology, in which Hume argues that these distinctions can be known (*Ibid*, 132; 120). See also Moore 1994: 24-25.

<sup>125</sup> Hutcheson's well-known opposition to Hume's intention to be appointed Professor of Moral Philosophy at Edinburgh in 1744 reflects this (Moore 1994: 27).

<sup>126</sup> For Moore, Hutcheson displays a preference for Cicero's Stoic thoughts, Hume his Epicurean thoughts (Moore 1994: 26-37). Cicero's eclecticism may also be seen to be an influence upon Smith, who arguably avoids an overt Epicurean or Stoic preference. A more detailed discussion of this subject is given in 2.3.4. See also Abramson 2002: 306-310, in which Cicero's influence on Hume is acknowledged, as is the influence of Aristotle.

Despite attempts to stress Hume's connection to Hutcheson, this signals an important point of departure between the two thinkers. Indeed, according to Hume, Hutcheson's exclusive focus upon benevolence in his *Inquiry into beauty and virtue* (1729) is an overtly narrow account of virtue.<sup>127</sup> Consequently, Hume employs the principle of sympathy to appeal to the collective judgement of a society "...equipped to produce disinterested and intersubjective judgements of an objective moral reality" (Norton 1975: 542). In contrast, there is no place for sympathy in Hutcheson's system, which he terms "an invention of the Cyreniacs and Epicureans".<sup>128</sup> This is because universal justice cannot be conceived so narrowly as mere restraint from harming others; rather, for Hutcheson, it is a form of love or benevolence, understood as an active principle guided by rational judgement, prompted by the moral sense. According to Hutcheson, virtue is benevolence, and is perceived by others as the pleasantness of that benevolence. However, virtue is more than this, as moral good excites the love of the agent, which for Hutcheson explains why someone should want to be virtuous - to earn love:

The word Moral Goodness, in this Treatise, denotes our Idea of some Quality apprehended in Actions, which procures Approbation, and Love toward the Actor, from those who receive no Advantage by the Action.<sup>129</sup>

To Hutcheson, therefore, the feeling on which moral judgements are based is that of shared pleasure at the sight of natural benevolence. As such, sympathy is superfluous, as it "...could never account for that immediate ardour of love and goodwill which

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<sup>127</sup> HL: 34; 40 cited in Moore 1994: 35-37.

<sup>128</sup> Hutcheson 1755: 29-47 cited in Moore 1994: 35. Smith discusses Epicurus's system in Smith 1796 (1790), VII.ii.2.

<sup>129</sup> Hutcheson 1729: 69 cited in Hope 1989: 27. The passage continues: "Moral Evil, denotes our Idea of a contrary Quality, which excites Aversion, and Dislike toward the Actor, even from Persons unconcern'd in its natural Tendency" (*Ibid*).

breaks forth toward any character represented to us as eminent in moral excellence’’.<sup>130</sup>

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<sup>130</sup> Hutcheson 1755: 48 cited in Moore 1994: 35; Hope 1989: 21.

### 2.1.3) Hutcheson, Hume and Smith

Despite his optimism, it is important to recognise that Hutcheson allows that: "...the Preservation of the System requires every one to be innocently solicitous about himself" (Hutcheson 1729: 105 cited in Hope 1989: 28). This is echoed by Smith in *WN*, where he points out that: "[m]an ...is sensible...that his own interest is connected with the prosperity of society, and that the happiness, perhaps the preservation of his existence, depends upon its preservation" (Smith 1976 [1790], II.ii.3.6).<sup>131</sup> Yet Smith also notes that: "Dr. Hutcheson was so far from allowing self-love to be in any case a motive of virtuous actions, that even a regard to the pleasure of self-approbation ...diminished the merit of a benevolent action". In contrast, Smith considers sympathetic self-love a viable motive to virtue (*Ibid*, VII.ii.3.13; See also *Ibid*, VII.ii.4.8; I.iii.2.1).

As he notes: "Dr. Hutcheson observed... that virtue must consist in pure and disinterested benevolence alone". In contrast, for Smith, it is not benevolence but self-deception that oils "the great machine" of society, inadvertently bringing social benefit (*Ibid*, VII.ii.3.6; I.iv.2). It is instructive to consider Smith's identification of this unwitting deception in comparison to Mandeville's "deliberate" deception.<sup>132</sup> In his critique of Mandeville, Smith explains: "I shall only endeavour to show that the desire of doing what is honourable and noble, of rendering ourselves the proper objects of esteem and approbation, cannot with any propriety be called vanity" (*Ibid*, VII.ii.4.8). This criticism can also be directed at Hume, for whom, as noted, vanity enlivens individuals' notions of justice. Hume's suggestion that we internalise a social

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<sup>131</sup> It is likely, however, that Smith was able to take from Epicurus without lapsing into utilitarian arguments, as he employs a more sophisticated notion of sympathy than Hume.

<sup>132</sup> "Dr. Mandeville considers whatever is done from a sense of propriety...as being done from a love of praise and commendation, or as he calls it from vanity...All public spirit, therefore, all preference of public to private interest, is, according to him, a mere cheat and imposition upon mankind; and that human virtue...is the mere offspring of flattery begot upon pride" (Smith 1976 [1790], VII.ii.4.7).

will that results in self-loathing at being morally deficient appears to be an advance on Mandeville, as it is cognisant of the possibility of conscience guiding our actions. Yet Hume does not explain why we would respond to conscience, particularly as he argues that vanity is a stronger motivation than benevolence.

For Hume: “[s]ympathy is the chief source of moral distinctions”. As Macfie notes, to Hume, sympathy is the idea of an emotion being converted into the emotion itself through the enlivening association with the impression of self: “I feel a sympathetic motion in my breast, conformable to whatever I imagine in his” (Hume 1896 [1739], III.iii.6 cited in Macfie 1967: 48). As such, Hume’s notion that another’s misery will invoke pity conflates cognition and emotion, as it locates sympathy in benevolence. In addition, his concept of sympathy is of limited practical consequence. Indeed, despite stating that: “[n]o quality of human nature is more remarkable...than the propensity we have to sympathise with others, and to receive by communication their inclinations and sentiments, however different from, or even contrary to our own”, he also notes that: “...any peculiar similarity in our manners, or characters, or country, or language...facilitates the sympathy” (Hume 1896 [1739], II.i.11). Hume’s concept of sympathy is therefore closely tied to associative mechanisms, and is consequently inadequate as a foundational motive for moral rules that operate beyond the realm of personal ties (Hampshire-Monk 1992: 132).

Smith concurs with Hume about the importance of sympathy in ethics but disagrees about what it is and why it is important (Harman 2000: 189). In Book VII of *TMS*, Smith examines systems of moral philosophy that locate virtue in propriety, self-love, disinterested benevolence and prudence, and points out that in “[t]hat system which places virtue in utility”:

...virtue consists in not in any one affection, but in the proper degree of all the affections. The only difference between it and that which I have been endeavouring to establish is that it makes utility and not sympathy or the correspondent affection of the spectator the natural and original measure of this proper degree (Smith 1976 [1790], VII.ii.3).

It is not the view of this utility or hurtfulness which is either the first or principal source of our approbation or disapprobation...the sentiment of approbation always involves in it a sense of propriety quite apart from the sense of utility (*Ibid*, IV.ii.3).

This is the reverse of the utilitarian approach employed by Hutcheson and Hume, as “...the origin of approbation and disapprobation, so far as it derives them from a regard to the order of society, runs into the principle which gives beauty to utility” (Smith 1976 [1790], VII.iii.1.2). Therefore, justice does not come about through convention, but rather, comes prior to utility, as it is: “...the main pillar that upholds the whole edifice” (*Ibid*, II.ii.3.4).<sup>133</sup>

Smith may be seen to concur with Hutcheson’s notion that the principle of our approval of moral acts is not based on self-love, and that “...it could not arise from any operation of reason” (*Ibid*, VII.iii.3-4 cited in Ross 1995: 161). However, he views self-interest as a virtue, and rejects Hutcheson’s theory of the moral sense as the solution to the problem of the source of moral approbation and disapprobation. Smith concurs with Hutcheson’s view that a spectator approves of moral motives, but, like Hume, points out that approval can be explained by sympathy (Hope 1989: 83). Smith may also be seen to develop Hume’s idea that there are some apparent similarities in the feelings of individuals, and that similar emotions may be observed to be aroused in others to those of the person with whom they are sympathising (Ross

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<sup>133</sup> Smith’s negative concept of justice allows him to point out that benevolence cannot be enforced (See *Ibid*, II.ii.3.3). However, he does accept that “[t]he laws of all civilized nations oblige parents to maintain their children, and children to maintain their parents, and impose upon men many other duties of beneficence” (*Ibid*, V.ii.1.8). In this way, Smith is able to distinguish the legal enforcement of beneficence from the more general passion of benevolence, which is not enforceable by law.



1995: 161). This combination of Hutcheson's idea of the internal character of a motive with Hume's emphasis on the effects of motives enables Smith to reinstate conscience as the source of virtue (Hope 1989: 88). However, his notion of the impartial spectator goes beyond Hume's concept of sympathy as shared feelings, as Smith's concept posits that an individual is aware that they are sharing another's feelings. Smith therefore points out that in approving of virtue we consciously sympathise with the agent. As Ian Ross (1995: 164) highlights, this extension allows Smith to account for various kinds of moral judgement; firstly, with regard to an action's propriety, and secondly, the praise or blame that is to be attached to it.

Smith thus moves beyond Hutcheson and Hume's influence, locating individual and societal virtue in the approval of the impartial spectator. As Ross argues, this concept enables Smith to introduce "...new dimensions to the psychological mechanisms suggested by Hutcheson [and]...Hume, above all sympathy, imagination, and detached self-awareness, and evaluation...of our motives and actions" (*Ibid*). It additionally enables Smith to connect ethics to economic behaviour in society in a manner that is original yet is grounded within certain intellectual traditions. In this way, as Macfie (1967: 55) points out, Smith is able to build "...a steadily rising ladder for men from vanity to pride and from pride to magnanimity". The influence of these traditions is discussed in the next section.

#### 2.1.4) Natural jurisprudential and classical influences

As Barbalet (2005: 183-184) notes, prior to the nineteenth century, most commodities in Europe were exchanged without a fixed price. Trust and bartering were achieved by interpreting the intentions or emotions of those with whom one transacted. This approach is reflected by Smith, who demonstrates that, in commercial society, greater interdependence is prompted by an increasing division of labour in ways “mutually beneficial to one another” as it is “...by treaty, by barter, and by purchase, that we obtain from one another the greater part of those mutual good offices which we stand in need of” (Smith 1978, *LJ [A]* VI.46-49; Smith 1976 [1776], I.ii.1-3). As discussed in 1.1.2, this theme is particularly evident in *TMS*, where Smith states that it is the role of the impartial spectator to perpetually monitor and correct the “strongest impulses of self-love”. Such self-command, “equality of temper” and other forms of interaction are produced by “conversation” in the “bustle and business of the world” (Smith 1976 [1790], III.iii.4; III.iii.25; VI.ii.1.15-16). For Smith, therefore, market society generates amicable, not beneficent, friendships within large-scale societies of strangers.<sup>134</sup> Smith acknowledges that benevolence may contribute to human happiness, however is clear that in terms of social cohesion, justice, self-control and prudence, as recommended by the impartial spectator, are of more importance:

It is not the soft power of humanity, it is not that feeble spark of benevolence which Nature has lighted up in the human heart, that is thus capable of counteracting the strongest impulses of self-love. It is a stronger power, a more forcible motive, which exerts itself upon such occasions. It is reason, principle, conscience, the inhabitant of the breast, the man within, the great judge and arbiter of our conduct (Smith 1976 [1790], III.iii.4; See also *Ibid*, VI.ii.1.19).

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<sup>134</sup> Lisa Hill and Peter McCarthy (2004: 3-12) point out the similarity between Smith’s notion of a person that is capable of “sincere” friendship yet is disinclined to “ardent and passionate” familiarity and Cicero’s distinction between true and instrumental friendship, or *amicitia* and *vulgares amicitiae* (Smith 1976 [1790], VI.i.8-9; Cicero [1990] *On Friendship and The Dream of Scipio*, ed., trans. by J. G. F. Powell, Warminster: Aris & Phillips, cited in Hill and McCarthy 2004: 8).

The restricted role that Smith grants benevolence does not, however, suggest that his concern for just socio-economic provision is limited. Indeed, as John Salter (1999: 223) points out: “[t]hroughout the *Wealth of Nations*, Smith adopts the perspective of the poorest member of society”. Like Hume, Smith is in favour of a high-wage economy for the sake of the wage labourer, “...who supports the whole frame of society”.<sup>135</sup> However, rather than reflect later political arguments that stress distributive justice, Smith’s concern for the needs of the poor reflects the natural jurisprudential distinction between perfect rights and imperfect obligations.

This is apparent in *LJ*, wherein Smith provides a historical account of the shift in the European legal structure towards judicial systems founded on this distinction. Here, he states: “[j]urisprudence is that science which enquires into the general principles which ought to be the foundation of the laws of all nations”.<sup>136</sup> This is reflected in his intention, stated at the end of *TMS*, to write “...an account of the general principles of law and government...” Smith’s theorizing on the evolution of laws may therefore be viewed as an implicit rejection of the claims of immutability of the early natural lawyers. Indeed, despite paying homage to Grotius for his handling of the primary elements of jurisprudence in this passage, Smith is critical of his overemphasis on casuistic law making. This reflects his consistent rejection of *a priori* accounts of morality, as the second part of the above sentence shows: “...and of the different revolutions they have undergone in the different ages and periods of society” (Smith 1976 (1790), VII.iv.34-37). This would appear to show that Smith sees general principles of “natural reason” at the basis of positive-law systems, but that these

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<sup>135</sup> Smith 1978, *LJ [A]* vi.28; Hume, D. (1752) ‘Of Commerce,’ in *David Hume, Philosophical Works* (1874-1875) ed. by T. H. Green and T. H. Grose (London: Longmans, Green and Co.), iii, p.267, cited in Hont and Ignatieff 1983: 2; 5.

<sup>136</sup> Smith 1978, *LJ [B]*, intro.1; Fleischacker 2004: 28; Ron 2008: 117-118.

principles are not immutable and universal, due to their application to the changing realities of society (Hont and Ignatieff 1983: 88-93).

Smith's lectures thus reflect the Lockean tradition, in which an evolutionary notion of the problem of the origin and development of property is put forward, allied to a Montesquieuan connection between the development of laws and social circumstances (Vivenza 2001: 97; Winch 1983a: 261). In addition to these thinkers, the introduction of the study of the classics at Glasgow by Francis Hutcheson may be considered an important influence upon Smith's thought. As Gloria Vivenza (2001: 1-2) explains, the ideas and concepts of a classical origin were common in the learned circles of the eighteenth century. Specifically, Vivenza detects Platonic themes in Smith's methodology, Aristotelian motifs in the psychological origins of his research, and Stoic self-control and Epicurean prudence in his economic thought.<sup>137</sup>

As Vivenza points out, there appears to be some similarity between Aristotle's *phronimos* - man of practical wisdom - and Smith's impartial spectator insofar as both figures have in common the ability to define the precise degree of virtue required without recourse to laws. For Aristotle, propriety lies in the "golden mean", a point equidistant from the two extremes of human behaviour (*Ibid*, 46-47). Indeed, Smith's notion of harmony being achieved through the "toning down" of one's emotional response to the appropriate pitch might be compared to Aristotle and the Peripatetics' allowance of emotion up to the point represented by the "golden mean" and Stoic self-control that enables the individual to keep her passions down to the point of propriety. However, Smith indicates that, not only does such a point not exist, but also that it is

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<sup>137</sup> However it should be noted that Smith, in contrast to Epicurus, considers prudence to be a virtue that is desirable in itself (Vivenza 2001: 56).

not necessary in order to achieve harmony or virtue.<sup>138</sup> Indeed, whereas Aristotle regards philosophy's end to be "the truth", Smith argues that each explanation should merely satisfy the intellectual requirements of the time, and suggests that questions that occur to humanity can be resolved by the gradual progress of human understanding (Vivenza 2001: 40).<sup>139</sup> Smith's denial of the possibility of *a priori* knowledge therefore employs a modern, Montesquieuan notion of the relation between intellectual phenomena and the age that produced it in order to address issues of concern in classical theory.<sup>140</sup>

According to Macfie (1967: 60), Smith's position is "almost conventional in the Enlightenment", as it is one of eclecticism "...with a distinct bias towards the modified Stoicism typical of Cicero".<sup>141</sup> However, Smith's rejection of the casuistry of mediaeval Christian theology that attempts to specify a set of rules to govern every aspect of human life is most unconventional in light of the commitment to religious instruction of the Common Sense theorists within the Scottish Enlightenment (Smith 1976 [1790], VII.iv.34; Teichgraeber 1982: 259). According to P. H. Clarke (2000: 50-64), the influence of Stoicism is most clearly discernible in *TMS*, particularly that of Marcus Aurelius. In particular, Smith's impartial spectator concept may be seen to be influenced by *Meditations*, in which Aurelius refers to "that spirit that is within thee", and where he states: "...we fear more what our neighbours will think of us than ourselves" (Aurelius, *Meditations*: 149-150, cited in Clarke 2000: 60).

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<sup>138</sup> *Ibid*, 81. See Macfie 1967: 119; Bonar 1922: 163; 166. As Smith explains, although the sufferer "...longs for that relief which nothing can afford him but the entire concord of the affections of the spectators with his own," there "... will never be unisons, [but] they may be concords, and this is all that is wanted or required" (Smith 1976 [1790], I.i.4.7).

<sup>139</sup> Smith's commitment to the asymptotic nature of the process of knowledge production is discussed in 1.3.3 and 3.3.1-2. A discussion of Aristotelian and Roman Stoic influences on his thought is in 2.3.4.

<sup>140</sup> However, whereas Smith utilises Montesquieu's ideas regarding the importance of context, Smith avoids Montesquieu's overt relativism as evinced in *The Spirit of the Laws*, 1914 (1752). See, for examples, Book XIV: 5, 10, 15 and Book XIX: 10, 20.

<sup>141</sup> Macfie's position is arguably reflected by Vivenza (2001: 2-4) See also Ross 1995: 165.

However, although Smith's "neighbour" as mentioned in Part III of *TMS* appears to echo Aurelius, Smith explicitly refers to Epictetus in this passage, rendering the latter a more likely source of inspiration in relation to the other-regarding, sympathetic impartial spectator concept.<sup>142</sup> Perhaps of greater importance is the theme of detached observance to be found in both Roman Stoics' concepts that Smith's impartial spectator may be observed to reflect. Also important here are the four cardinal virtues - prudence, beneficence, justice, and self-command - that earn the approval of the impartial spectator. As Hope (1989: 106) points out, this list is similar to Cicero's notion of *decorum*. However: "[t]his list is not Plato's or Aristotle's, nor that of Epicurus, Epictetus, Cicero or Marcus Aurelius. Nor is it from Shaftesbury, Butler, Hutcheson or Hume". Rather, as Vivenza (2001: 83) argues, certain classical and modern authors help Smith to clarify areas of his thought, which he then "...made his own or rejected, according to the ideas he had formulated...in the course of this process".<sup>143</sup> In the next part of this chapter I consider the originality and wider implications of such conclusions in comparison to those of his contemporaries.

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<sup>142</sup> See Smith 1976 (1790), III.iii.11. As discussed, Aristotle's *phronimos* has also been suggested as a likely template for Smith's impartial spectator. Vivenza also adds Polybius's "witness" to this list, but concludes that "at most" this is "a partial coincidence" (Vivenza 2001: 83).

<sup>143</sup> Phillipson (1983: 189) points out the superficial similarities between Joseph Addison's "Mr. Spectator" and Smith's impartial spectator. However: "Addison could be said to have done little more than admit that men find it surprisingly easy to internalise the values of the world in which they live". Therefore, this does not bear comparison to Smith's complex notion of the reflective "man within the breast" (see, for examples, Smith 1976 [1790], III.i.32-33; III.iii.25-29; III.iv).

## Part Two: Common Sense in the Scottish Enlightenment

### 2.2.1) Kames and Turnbull

As previous parts of this chapter have shown, moral philosophy in the Scottish Enlightenment developed out of the debate concerning the powers of moral discernment that individuals can claim to have. As noted, rather than reflect Christian arguments that God's will is innately knowable, Smith's historical understanding of morality reflects Grotius' view that moral life is an evolutionary process of adaptation between individuals. A further influence is Henry Home, Lord Kames, whose historical treatment of law is reflected in Smith's lectures.<sup>144</sup>

Smith refers to Kames as: "...an author of very great and original genius" in *TMS* (Smith 1976 [1790], II.ii.1.5). Whereas such platitudes were customary in eighteenth century academic circles, the tone of veneration in Smith's reference may be due to his gratitude at Kames' promotion of the Edinburgh lectures that led to his being appointed Chair of Moral Philosophy at Glasgow University in 1752.<sup>145</sup> As Haakonssen (1996: 5) explains, like Smith, Kames's historical methodology is influenced by Montesquieu. This is in contrast to theorists such as Hutcheson, George Turnbull, Thomas Reid, and Dugald Stewart, for whom reflection upon history is not important, as they posit an atemporal utopia that is discernible from God's will.<sup>146</sup> From this perspective, and in addition to his pessimism regarding the perils of commercial society, Kames can be considered part of the mainstream Scottish Enlightenment.

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<sup>144</sup> Meek 1971 24-25; Forbes 1982: 201; Winch 1983a: 260. In contrast to Kames, and indeed to Ferguson, Reid and the Common Sense authors however, Smith's view of such development of society into its more complex forms shows that the capacity for prudence and wisdom increases rather than diminishes (*Ibid*). This discussion will be examined in more detail in a later section of this Part.

<sup>145</sup> Raphael and Macfie, intro to Smith 1976 (1790), p.16. Smith was appointed to the Chair of Logic at Glasgow in 1751 and moved to the Chair of Moral Philosophy in 1752 (*Ibid*, 8).

<sup>146</sup> Haakonssen (1996: 7) adds George Campbell, James Beattie and James Oswald to this list.

In *Essays on the Principles of Morality and Natural Religion*, Kames echoes Shaftesbury's and Hutcheson's praise for Joseph Butler's view that our moral faculties are authoritative. For Kames, a gradual examination of such "facts" will demonstrate a clearly discernible human nature "which manifests itself into a certain uniformity of character" constituted of specific "principles" that includes the moral sense faculty. In contrast to Hutcheson, however, for Kames the moral sense is not a motivating principle but an authoritative guide to action, similar to what Butler terms "conscience", and which Kames refers to as "the voice of God within us".<sup>147</sup> As Norton (1982: 176) points out, Kames: "...transforms the moral sense attack on moral scepticism into the common-sense attack on epistemological scepticism", and "...lays out in systematic fashion the foundations of the Scottish Common Sense attack on the sceptical views of Berkeley and Hume".

Kames' examination of George Berkeley's philosophy leads to a description of such views as being capable of "annihilating the whole universe", as this denial of "the reality of external objects" leads us into the "doubt of our own existence".<sup>148</sup> Similarly, Kames disagrees with Hume's idea that belief is a matter of the force and vivacity of some perceptions. Echoing Hutcheson, Kames instead posits that we are so comprised by nature that our senses have an irresistible authority that commands belief in their reports. For Kames: "...our senses, external and internal, are the true sources from whence the knowledge of the Deity is derived to us".<sup>149</sup>

It is in this way that Kames distinguishes between actions that are morally just and those that are morally correct: "...right actions are distinguished by the moral sense

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<sup>147</sup> Home, H. (1751) *Essays on the Principles of Morality and Natural Religion*, pp.26-45, cited in Norton 1982: 174-175.

<sup>148</sup> Home (1751) pp.207-210; 195; 146 cited in Norton 1982: 177-180.

<sup>149</sup> Home, H. (1751) 181-185; 189; 197 cited in Norton 1982: 178; 185-187.



into two kinds, what *ought* to be done and what *may* be done, or left undone”.<sup>150</sup>

Kames relates such “duty to others and duty to ourselves”, which, David Lieberman suggests, is developed and articulated by Smith in *TMS*. Certainly, in his discussion of the distinction between justice and beneficence in Part II of *TMS*, Smith refers to Kames’ “...remarkable distinction between justice and all the other social virtues...that we feel ourselves to be under a stricter obligation to act according to justice, than agreeably to friendship, charity, or generosity” (Smith 1976 [1790], II.ii.1.5).<sup>151</sup>

In spite of Kames’ overt naturalism, Smith concurs that the failure to observe the distinction between justice and other virtues such as benevolence had damaged all prior attempts to elaborate natural systems of jurisprudence, which had been reduced to casuistry (*Ibid*, VII.iv.7-15). Kames’ identification of the far-reaching consequences of such inflexible statutes may also be seen to influence Smith’s consistent preoccupation with the evolutionary nature of society. As Kames argues: “[l]aw...cannot long continue stationary; for in the social state...law ripens gradually with the human faculties”.<sup>152</sup> It is possible to argue, therefore, that Kames’ flexible account of justice is important to Smith’s development of the concept of self

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<sup>150</sup> Home, H. (1774) ‘Principles and Progress of Morality’, *Sketches of the History of Man*, first edition, pp.14-15, cited in Lieberman (1983: 211). The former case requires the individual to fulfil what ought to be done out of duty: “...the doing what we ought to do is termed *just*: the doing what we ought not to do, and omitting what we ought to do, are termed *unjust*” (*Ibid* [italics in original]).

<sup>151</sup> The section of Kames’ work to which Smith is referring is *Essays on the Principles of Morality and Natural Religion* (1751) Part I, essay ii (‘Of the Foundation and Principles of the Law of Nature’), chapters 3-4. Smith develops Kames’ insight eloquently, for example, in the same section, where he states: “[w]e may often fulfil all the rules of justice by sitting still and doing nothing” (Smith 1976 [1790], II.ii.1.9).

<sup>152</sup> Home, H. (1767) *Principles of Equity*, second edition, pp.44-49, cited in Lieberman 1983: 229. Indeed, Ross cites Smith as stating: “...we must every one of us acknowledge Kames for our master” (Ross, 1972: 97). See also Keith Lehmann (1971: 175), who points out that Kames wrote the following - “[w]hile man pursues happiness for his chief aim, Thou bendest our self-love into the social direction” - in 1751, “...a quarter of a Century before Adam Smith wrote of the ‘unseen hand’”.

determination as represented by the impartial spectator.<sup>153</sup> This is rendered more plausible when one considers Kames' vivid description of "that remorse of conscience, the most severe of all tortures".<sup>154</sup> Indeed, in the chapter that follows Smith's initial praise for Kames, Smith remarks upon "...the nature of that sentiment, which is properly called remorse; of all the sentiments which can enter the human breast the most dreadful" (*Ibid*, II.ii.3).

Kames may also influence Smith's argument that our principle conclusions "...are not from reason, but from an internal light which shows things in their relation of cause and effect". He also states that sympathy "is the cement of human society". However, he also argues that it "...is but one of the many principles that constitute us moral beings...To base an entire system of morality upon it alone would be hazardous" (Kames 1751: 349; 25; 112, cited in Lehmann: 1971: 169-170). Here, Smith does not concur. Smith also rejects Kames' determinism. Indeed, despite the supposed influence of Newton upon eighteenth century Scottish thinkers,<sup>155</sup> Kames' teleological approach looked for final behind efficient causes: "[a]ll things are by Thee pre-ordained, great Mover of all!...every living creature runs a destined course" (Kames 1751: 379 cited in Lehmann 1971: 170).<sup>156</sup> Such fatalism is also reflected in Kames' *Historical Law Tracts* (1758). Yet as Lehmann (1971:182-185) points out, Kames' claims are not substantiated by a rigorous methodology. Rather, "...he gives us little more than...a few broad generalizations...[and] some historical examples not at all fitted into any developmental sequence".

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<sup>153</sup> Duncan Forbes argues that Kames' *Essays on Morality and Natural Religion*: "...is a kind of staging post between Hume and Smith...It is full of anticipations of *The Theory of Moral Sentiments*" (Forbes 1982: 204, footnote 32).

<sup>154</sup> Home (1751) p. 64 cited in Smith 1976 (1790), Part II Endnotes, p.135.

<sup>155</sup> As Lehmann explains, Newtonianism was rejected at Oxford and Cambridge, and was taught by David Gregory at Edinburgh (Lehmann 1971: 156).

<sup>156</sup> This statement is in the prayer at the end of *Essays on the Principles of Morality and Natural Religion* (1751), Appendix IV. Kames' aim in writing these *Essays* was "...to promote the cause of virtue and natural religion" as a "duty to our Maker" (Home [1751], p.379 cited in Lehmann 1971: 168).

As such, whereas for Smith such development is open-ended, for Kames there is “a common standard”, a “common sense of mankind with respect to right and wrong...essential to social beings”<sup>157</sup> that is the basis of the law of nature, and towards which society is developing. In this, Kames’ sociological and comparative approach is clearly influenced by Montesquieu. In his *Sketches of the History of Man* (1774), Kames states that promiscuity and polygamy are a “violation of nature” yet “voluptuousness in warm climates...instigates men of wealth to transgress every rule of temperance”.<sup>158</sup> Such relativism is perhaps rendered more disconcerting when one considers that Kames holds the different races of man to be different species, originally differentiated in adaptation to different environments. Kames holds that there are different species of men “...just as there are different species of dogs: A mastiff differs from a spaniel not more than a white man from a Negro” (Kames 1774: 20, cited in Lehmann 1971: 254).

One must be careful not to denounce such views too strongly with hindsight, with knowledge unavailable to authors such as Montesquieu and Kames. However it is important to recognise that such universalism is inherent in Kames’ appeal to a “common standard of judgement” that is a supposed basic trait in human nature, and which “...enables men to arrive at essential truth without reasoning about abstract principles”. This is of particular importance when we consider that Kames’ *Essays* foreshadows Thomas Reid’s 1764 *Inquiry into the Human Mind on the Principles of Common Sense* (Lehmann 1971: 164-165).

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<sup>157</sup> Home, H. (1774) *Sketches of the History of Man*, IV.19f cited in Lehmann (1971): 206. As Haakonssen (1981: 185) points out: “Smith in various connections allows for pure chance as a factor in history”.

<sup>158</sup> Home, H. (1774) *Sketches of the History of Man*, p. 36, cited in Lehmann 1971: 251. See Montesquieu 1914 (1752) Book XIV, 2 13, 15 (on climate), and Book XIX, 12, 13, 14, 27 (on customs).

Reid's teacher at Aberdeen, George Turnbull, also argues that general uniform and constant laws that are "observed to prevail" govern the world. In his *Principles of Moral Philosophy* (1740), Turnbull states his intention to "account for MORAL, as the great Newton has taught us to explain NATURAL appearances",<sup>159</sup> thus becoming one of the first theorists to open up liberal education to the study of the natural world as it had been explained by Newton. Turnbull's teleological approach is evident insofar as any general law that produces a prevalence of "good, beauty, and perfection in the whole" is considered a good law.<sup>160</sup> This is because we have a "natural furniture" and appetite for knowledge of God's mind through experience of His works, which enables us to recognise that all the beautiful orderliness in the moral and physical world is God's will. Turnbull therefore does not posit that there is innate knowledge, but rather, that our capacity for finding true wisdom is in the moral sense. We can infer God's will, as we are well designed by a benevolent Deity: "...this reasoning is not above the reach of anyone; it is what every person who thinks at all, is naturally led to by the turn and disposition of the human mind".<sup>161</sup>

Turnbull's providential naturalism therefore echoes Hutcheson and Shaftesbury as he employs an inductive, introspective approach that places importance upon "ordinary" moral experience and language. As Norton highlights, however, Turnbull makes appeals to "common sense" as a kind of religious and moral truth far more often than these thinkers. Indeed, in his first theological piece, *the Philosophical Enquiry Concerning the Connexion between the Doctrines and Miracles of Jesus Christ* (1726), Turnbull explicitly links "common sense" to Christianity (Norton 1982: 163-164). Importantly, therefore, and in a similar manner to Kames, Turnbull displays

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<sup>159</sup> Turnbull, G. (1740) *Principles of Moral Philosophy*, Epistle Dedicatory, cited in Norton 1982: 154.

<sup>160</sup> Turnbull, G. (2003 [1742]) *Observations upon Liberal Education*, pp.x-xv; Turnbull, G. (1740) *Principles of Moral Philosophy*, 1, pp.1-6, cited in Norton 1982: 154-155.

<sup>161</sup> Turnbull (1740) 1, pp.137-139, cited in Norton 1982: 169; Haakonssen 1996: 93.

universalistic tendencies that do not admit of other cultural standards or beliefs. This is particularly disquieting when one considers Turnbull's role as an educational theorist that sought to establish practical "common sense" standards based on such a view.

Turnbull believed that as concepts such as "good" and "evil" and "vice" and "virtue" appear in every language, they must have their source in concrete moral differences. To Turnbull, this "proves" that there is a common sense and common language, founded on two other features of moral creation - that there are certain faculties and dispositions of the mind that are common to all men, and that these have been furnished for us by a wise Providence: the "organizations" of men are so similar, "that they may be justly said to be specifically the same".<sup>162</sup> Turnbull is therefore able to posit the "reality" of virtue and vice and give a "full refutation" of those who claim these are arbitrary or conventional, as those who would "ascribe all that is social in our nature to art, custom, and super-added habit" clearly "shock all common sense".<sup>163</sup>

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<sup>162</sup> Turnbull (1740) 1, pp.33; 135-139, cited in Norton 1982: 165-166.

<sup>163</sup> Turnbull (1740), 2: 216; 1: 196-197; 430; 123 cited in Norton 1982: 161.

### 2.2.2) Reid

Turnbull's influence upon Thomas Reid may be discerned directly in his statement regarding the moral sense as being "...engraven on our hearts, innate, original, and universal".<sup>164</sup> This is echoed by Reid's argument in *Essays on the Active Powers of Man* (1788) in which he states: "[t]hat conscience which is in every man's breast, is the law of God written in his heart".<sup>165</sup> Turnbull's teleological and providential naturalism is also an influence on Reid's vehement opposition to Hume. For Reid, "the natural faculties, by which we distinguish truth from error, are not fallacious", and are given to us by God:

It is the Supreme Being who has given us the powers and faculties which He saw would be necessary for our survival and progress, and who has implanted in us principles that lead us to think and act in a way suited to the rest of His creation.<sup>166</sup>

Perhaps misunderstanding the importance of the normative aspect of Hume's theory,<sup>167</sup> in that Hume's aim is to explain how certain fundamental beliefs arise, Reid and his followers self-consciously attempt to show that human perception presupposes a certain *a priori* component (Kuehn 1994: 125). In opposition to his view of Hume's Ideal Theory, Reid rejects the notion that an impression or idea is temporally or logically prior to our experience of objects. However, as Kuehn shows, Reid believes

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<sup>164</sup> Turnbull, G. (1763) *A Discourse upon the Nature and Origin of Moral Laws*, pp.251-2, cited in Norton 1982: 166.

<sup>165</sup> Reid, T. (1863 [1788]), *Essays on the Active Powers of Man*, in Hamilton, W. ed., *The Works of Thomas Reid*, Edinburgh: Maclachlan and Stewart, p.638b, cited in Haakonssen 1996: 200. It is interesting to consider the superficial similarity regarding conscience that may be seen in Reid and in Smith's work. However, whereas to Reid it is God's conscience that is "in every man's breast", for Smith it is the individual's own impartial spectator.

<sup>166</sup> Reid (1863 [1788]) 2, p.591; 1, p.423, cited in Norton 1982: 173.

<sup>167</sup> Kuehn 1994: 129. Norton points to the negative reaction of Kames, Reid, and Beattie to the first edition of Hume's *A Treatise of Human Nature* that is influential in the overstated scepticism that is attributed to Hume (Norton 1982: 5). As has been discussed, Norton denies that Hume was a sceptical moralist. As G. H. Lewes points out, however, the "frivolous objections" of the Common Sense philosophers led to the perception of Hume as a radical sceptic (Lewes cited in Norton 1982: 5). Intriguingly, however, Stewart Sutherland (1982: 145) argues that: "Reid's endorsement of common sense is based upon elements of scepticism".

it to be impossible to explain how the principles of Common Sense brought about the “real connexion” between our perceptions, but argues instead that we must be satisfied with describing those principles as they are required by knowledge and action (*Ibid*, 131-132).<sup>168</sup> Similarly, Reid argues that as some beliefs arise from innate principles of the mind, for example original perceptual beliefs relating to the external world, they are justifiable without reasoning. That these “First Principles” of Common Sense may be observed, Reid argues, is sufficient to reject Hume’s “pointless” scepticism (Lehrer 1989: 108; Broadie 1990: 109; Haakonssen 1996: 197).

Keith Lehrer explains Reid’s claims against Ideal Theory. As he notes, according to Reid, conception is an operation of the mind that does not resolve itself into impressions and ideas. Any impression, be it faded or vivacious, is distinguishable from a conception of such an impression as well as from a conception from other things. Therefore, our conceptions must be a consequence of innate first principles of our mind that yields conceptual responses to an object from our sensations by a “natural kind of magic”.<sup>169</sup> Echoing Turnbull, Reid also argues that our basic linguistic categories reflect our experience of the world: “I believe no instance will be found of a distinction made in all languages, which has not a just foundation in nature”.<sup>170</sup> Reid argues that as our basic linguistic categories are enforced upon us by the nature of our immediate experience, we are able to read philosophy out of

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<sup>168</sup> Such an apparent tautology is highlighted by Joseph Priestley, who admonishes Reid for “...asserting that it is impossible to advance any farther in the investigation, for who can ever get beyond *simple, original, and inexplicable acts of the mind*” (Priestley cited in Kuehn 1994: 144, footnote 22 [italics in original]).

<sup>169</sup> Reid (1863 [1788]) cited in Lehrer 1989: 113; 119. “In all rational belief, the thing believed is either itself a first principle, or it is by just reasoning deduced from first principles” (Reid [1863 (1788)] p.637 cited in Haakonssen 1996: 186).

<sup>170</sup> Reid (1863 [1788]) p.1, cited in Broadie 1990: 106. Broadie contrasts Reid’s position to that of Gottlob Frege, whose linguistic categories inverts Kant’s theory categories, and for whom our basic linguistic categories structure our experience of the world (Broadie 1990: 106).

language. As Broadie (1990: 106-108) points out, Reid utilises linguistic practice to argue that whereas his position is reflected in language, Hume's position is not.

Reid's Common Sense may therefore be characterised as an attempt to refute Hume's alleged scepticism, arguing in particular that there is an external world, and that there are causal relations between things. However, Reid's argument is overstated. Indeed, as has been discussed, Hume does not necessarily deny the existence of the external world. Nor does he explicitly reject the existence of God. Indeed, in his discussion of the development of monotheistic religions in the *Natural history of religion* (1757), Hume refers to the gradual awareness of "that perfect Being, who bestowed order on the whole frame of nature" as evidence of the "natural progress of human thought", the tendency of the mind to rise "gradually, from inferior to superior".<sup>171</sup>

Reid also rejects Hume's extension of Hutcheson's notion of the utility of artificially engendered social conventions. For Reid, the foundation of morality is divine law. It is therefore his intention to utilise practical ethics to discern God's will in order to define a system of morals that may in turn support our moral judgements. Although Reid writes of "[t]hat conscience which is in every man's breast...which he cannot disobey without...being self-condemned", which may appear to draw comparison with Smith's impartial spectator, it is important to note that such duty to one's conscience is actually duty to "the law of God".<sup>172</sup> Reid therefore does not appear to move beyond Kames' and Turnbull's reiteration of the Protestant tradition's notion of our fulfilment of duties to God that we are naturally able to discern. This does not therefore bear comparison with the truly self-determining aspects of the impartial

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<sup>171</sup> Hume, D. (1757) *The Natural History of Religion*, p.311, in Hume, D. (1964 [1882-1886]) *The Philosophical Works*, second edition. Darmstadt: Scientia Verlag Aalen, cited in Wood 1994: 124.

<sup>172</sup> Reid, T. (2005 [1863]) *Essays on the Active Powers of Man*, in *The Works of Thomas Reid*. Yarmouth, Nova Scotia: Elibron Classics, p.638b, cited in Haakonssen 1996: 200.



spectator. Indeed, as Reid's system of moral freedom is based specifically upon a Calvinist reading of moral duty, his understanding of an objective moral standard may therefore be seen to contain a relativism that limits its applicability.

This is of particular importance when one considers Reid's discussion of perfect and imperfect rights. As Haakonssen highlights, Reid rejects the notion that imperfect rights cannot be legally enforced. Instead, imperfect rights are "matched by positive duties to do some good", which government should enforce.<sup>173</sup> Reid's institutional extension of the natural law notion of the common good is highlighted by his argument that the right to private property be abolished, and be replaced by common ownership. Echoing Kames' fears over the potentially corrupting influence of commercial society,<sup>174</sup> Reid advocates "the Utopian system" as suggested by Thomas More. In this system, the acquisition of property as an incentive to economic exertion is replaced by a system of public honours for moral exertion and merit (Haakonssen 1996: 185, 197-199; 216-217). This may appear to be comparable to Smith's notion of a moral society based upon self-approbation that ensures avoidance of "...the corruption of our moral sentiments, which is occasioned by this disposition to admire the rich and the great, and to despise or neglect persons of poor and mean condition". However, whereas Smith stresses the usefulness of such a tendency, in that such a disposition acts as a stimulus to the economic, and consequently moral, improvement of individuals within society, Reid advocates its attenuation by a system of state-

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<sup>173</sup> Reid, T. (1990) *Practical Ethics: Being Lectures and Papers on Natural Religion, Self-Government, Natural Jurisprudence, and the Law of Nations*, ed. by Haakonssen, K. (1990), Princeton, NJ: Princeton University Press, p.197 cited in Haakonssen 1996: 204. As Haakonssen suggests: "Reid does not name his adversaries in this argument, but...these points collide head-on with the views of Hume and Smith" (*Ibid*, 205).

<sup>174</sup> "Now Riches, in all civilized Societies, seem to have all the advantages above all other Qualifications for gratifying this Desire" (Reid [1990] p. 285 cited in Haakonssen 1996: 217).

provided religious education: “The diseases of the Mind while it is pliable and docile...may, by Prudent means, be cured or alleviated”.<sup>175</sup>

The vast level of governmental involvement required by such a system further highlights the contrast between Reid and Smith. As Haakonssen explains, in Reid’s system, constant supervision of each individual’s contribution to the common good would be made “...by Officers appointed by the Publick, who shall at stated times make a Report to superior Officers of the Industry, Skill and moral behaviour of every Individual under their Charge”. This assessment would determine the “[d]istinctive ba[d]ges or habits, by which every Mans Rank & the Respect due to him may be known” or “the Marks...of Dishonour & Disgrace” given to the individual. Such categorization necessarily presupposes an objective standard of moral perfection towards which people may be compelled, or otherwise be branded as “being altogether unworthy and incapable of being Citizens of Utopia”.<sup>176</sup> According to Reid, the attainment of the former and avoidance of the latter is dependent upon education:

[I]t must be the principle care of the state to make good citizens by proper education, and proper instruction and discipline...That men...will be good or bad members of society, according to the education and discipline by which they have been trained, experience may convince us. The present age has made great advances in the art of training men to military duty...and I know not why it should be thought impossible to train men to equal perfection in the other duties of good citizens.<sup>177</sup>

The contrast with Smith should therefore be clear. Reid advocates a state-run educational and “moral” programme based upon coercion, and from which deviation is punishable, in order to assuage the potentially morally debilitating effects of a

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<sup>175</sup> Smith 1776 (1790), I.iii.3 heading; Reid 1990: 289 cited in Haakonssen 1996: 217.

<sup>176</sup> Reid (1990) p.290; 292 cited in Haakonssen 1996: 218.

<sup>177</sup> Reid 1863 (1788): 577b-578a cited in Haakonssen 1996: 219-220.

commercial system based upon acquisitiveness. In contrast, Smith stresses the moral educability of the individual through self-examination of their impartial spectator, through which moral choices are arrived at by contemplation of the motives and consequences of their actions in relation to their contextual environment:

He soon identifies himself with the ideal man within the breast, he soon becomes himself the impartial spectator of his own situation ... The view of the impartial spectator becomes so perfectly habitual to him, that, without any effort, without any exertion, he never thinks of surveying his misfortune in any other view (Smith 1976 [1790], III.iii.29).

In this way, Smith's stress upon individual liberty does not deny social accountability yet reflects individuals' moral advancement at their own pace. Indeed, whereas Reid may be seen to be advocating a specific set of rules based upon an objective "truth" aimed at a particular moral standard, Smith does not. Smith's natural jurisprudential inclinations allow him to posit general observable traits in all forms of social organisations, yet he certainly does not advocate specific, supposedly atemporally applicable rules aimed at moral "perfection". Rather, for Smith, agents' actions are affected by the social environment in which they act, and therefore necessarily reflect diverse codes of behaviour at different times and in different places: "[e]ach individual, it is evident, can, in his local situation, judge much better than any statesman or lawgiver can do for him" (Smith 1976 [1776], IV.ii.10).

Despite this, Reid's Common Sense is highly influential. In 1764 Reid succeeded Smith as Professor of Moral Philosophy at Glasgow, and during the 1780s Reid's philosophical system was institutionalised at four colleges, beginning at Edinburgh in 1785. Like Kames, Reid's philosophy was influential in the US during this period, and his work drew interest throughout Europe (Broadie 1990: 105; Emerson 1990: 34-35). The institutional aspects of Reid's system may have lent themselves particularly

well to such potential influence, however. As Haakonssen (1990: 84) points out, Reid's replacement of the moral sense with Common Sense weakens the restraints on political power, which encourages the temptation of a "total politics of Utopia":

The constitutionalist element in [Reid's]...thought is thus the natural result of his dread of a life governed by political chance, which Hume and Smith had accepted as the inevitable lot of humankind but which Reid felt it his moral and philosophical duty to oppose (Haakonssen 1996: 225).

The tendency towards such a "man of system" approach is of course something that Smith warns against, yet in the case of Reid and his followers, the possibility is embraced. Reid's utopian response to the supposed potential moral perils of commercial society is arguably reflected in the work of Adam Ferguson.

### 2.2.3) Ferguson

Although not usually considered a member of the Common Sense “school”, Adam Ferguson utilises the scientific methods of Reid in his attempt to interpret the work of Smith and Hume. As Bruce Buchan (2005: 180-185) explains, in *The History of England from the Invasion of Julius Caesar to the Revolution in 1688* (1754-1762), Hume discusses the creation of a “civilized” international order of independent, militarily powerful states, based on refined civil societies, shaped by a consciousness of the destructiveness of warfare and the necessity to avoid it. For Ferguson, however, the development of commercial society had intensified the capacity of the state to make war. At the same time, Ferguson, like Kames and Reid, laments the loss of the old martial virtues in modern armies that he considers to be caused by the increased division of labour that has brought about such a society’s development<sup>178</sup>: “A nation’s strength, first and foremost, rests in its men, and when citizens become corrupted in any way by lawlessness, luxury, or laziness, there is danger ahead”.<sup>179</sup>

According to Albert Hirschman (1977), Smith shares such concerns. Certainly, he notes that, within commercial society, specialisation achieved via the division of labour is “...acquired at the expence of his intellectual, social, and martial virtues” (Smith 1976 [1776], V.i.f.50; See also Smith 1978, *LJ [B]*, II.331). For Hirschman:

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<sup>178</sup> Ferguson considers commercial society as the cause for the channelling of narrow aspirations into competition for money and recognition, which in turn generates servility and arrogance (Kettler 1977: 438; 447). Smith is aware of this danger, yet, as discussed, he draws a different conclusion.

<sup>179</sup> Ferguson, A. (1767) *An Essay on the History of Civil Society*, Part VI, cited in Bryson 1945: 51. This is reminiscent of Kames, who argues: “[s]uccessful commerce is not more advantageous by the wealth and power it immediately bestows, than it is hurtful ultimately by introducing luxury and voluptuousness which eradicates patriotism” (Home, H. [1778] *Sketches of the History of Man*, second edition, cited in Lehmann 1971: 192). As Hill (2003: 13) points out, Ferguson’s ambivalence about progress is “...the keynote of his oeuvre”.

A full-blown expression of this point of view can be found in the work of his fellow Scot, Adam Ferguson, who retained ties with the “rude” society of Scotland and whose *Essays on the History of Civil Society* (1767) abounds with reservations about the “polished” society of expanding commerce exhibited by England (Hirschman 1977: 107).

However, for Smith, an advantage of commercial society is its promise of the self-regulation of conduct. As such, the development over time of the division of labour that leads to greater productivity facilitates “[o]rder and good government, and along with them, the liberty and security of individuals” (Smith 1976 [1776], III.iii.12).<sup>180</sup> Moreover, for Smith, the division of labour has made professional, standing armies necessary, as war has now become an “intricate science”, and, more importantly, because workers at war mean lost revenue from “...a great annual produce. The expence of 1761, for example, amounted to more than nineteen millions. No accumulation could have supported so great an annual profusion” (Smith 1976 [1776], IV.i.28). For Ferguson, by contrast, concerns over national defence lead him to argue for a social militia, which, he suggests, could be funded by the increased revenues afforded by the division of labour. Ferguson wrote to Smith to inform him of his opinion that Smith would “reign alone” on the subjects raised in *WN*, apart from his discussion of the militia, which Ferguson opposed.<sup>181</sup> Indeed, as this was Ferguson’s major political cause it is difficult to agree with Hirschman’s connection of Smith and Ferguson on this issue in order to illustrate Smith’s supposed civic humanism.

In *An Essay on the History of Civil Society* (1966 [1767]), Ferguson places emphasis on the need for political establishments to act against tendencies towards despotism

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<sup>180</sup> See also Smith’s rejection of Quesnay (*Ibid*, IV.ix.28).

<sup>181</sup> Letter from Adam Ferguson to Adam Smith, 18<sup>th</sup> April 1776, in Smith 1987, letter 154, pp.193-194. This may be a minor point of contention, however this perhaps serves to highlight the intellectual debt Ferguson owes to Smith on other matters of greater importance. For example, Ferguson agrees with Smith’s idea that agents will govern themselves from the spectator’s point of view, although “...he reserves that mode of conduct to situations of little moral significance” (Kettler 1977: 443).

and national decline (Kettler 1977: 449-454). Like Reid, Turnbull and Kames, such advocacy of political intervention necessarily pertains to notions of objective standards regarding the “nature of man”. For Ferguson: “[b]efore we can ascertain the rules of morality for mankind, the history of man’s nature, his dispositions ...should be known”.<sup>182</sup> Ferguson was Professor of Pneumatics and Moral Philosophy at the University of Edinburgh between 1764 and 1785, and, following Turnbull, attempts to utilise Newtonian methods in order to place moral philosophy on an empirical basis in the field of knowledge.<sup>183</sup> Ferguson also echoes other Scottish Enlightenment figures by positing that “[m]an is by nature a member of society; his safety, and his enjoyment...consists in his being an excellent part of the system to which he belongs”.<sup>184</sup> In particular, he remarks that: “[m]en conceive perfection, but are capable only of improvement”.<sup>185</sup> Despite the possible Roman Stoic overtones in this statement regarding the potential for perpetual improvement, Ferguson suggests that the “fact” that humans are able to conceive perfection affords them “...a light to direct their progress, and it is the business of moral philosophy to determine the kinds of perfection toward which men should work”.<sup>186</sup>

Ferguson’s normative and theological commitments may therefore be deemed closer to the concerns of the Common Sense theorists rather than to those of Smith. Indeed,

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<sup>182</sup> As Bryson (1945: 32) explains, this is the eighteenth century version of psychology, the “theory of the mind”.

<sup>183</sup> According to Bryson (1945: 31) this is clearly the case in the first discussion in Ferguson’s *Institutes of Moral Philosophy* (1769).

<sup>184</sup> Ferguson, A. (1773) *Institutes of Moral Philosophy*, second edition, pp.108-109, cited in Bryson 1945: 36.

<sup>185</sup> Ferguson, A. (1978 [1792]) *Principles of Moral and Political Science*, II, pp.107-113, cited in Bryson 1945: 37. According to Ferguson, our “...capacity for advancement is nowhere exhausted” (Ferguson, A. [1978 (1792)], I, pp.184-185 cited in Hill 1997: 701). As Hill points out, this “...is a typically Stoic idea, which Epictetus, for example, sets out in his *Discourses*” (see Ferguson [1978 (1792)], I.iv.1-27, pp.27-35; Hill 1997: 701).

<sup>186</sup> Ferguson (1773) pp.130-33; 149; 152; Ferguson (1978 [1792]), I, pp.157-162, cited in Bryson 1945: 37.

unlike Smith, Ferguson is ambivalent about progress.<sup>187</sup> Ferguson's pessimism is evident in his belief that Britain will meet the same fate as ancient Rome, despite this being a consequence of the progress that he seems to argue that God has ordained for humanity.<sup>188</sup>

According to Hill (1997: 691-692), this tension is resolved by Ferguson's employment of the Christian and Ciceronian principle of free will that causes people to err unwittingly. Therefore, it is not evil but error that is the cause of societal retrogression. Hill argues that since error is always open to correction Ferguson can demonstrate "...the contingent nature of retrogression and even its constructive role in the divine master plan". According to Hill, Ferguson thereby "...reformulates the entire problem of theodicy by replacing the idea of original sin with that of original ignorance".<sup>189</sup> However, this is unlikely, as it is a Stoic doctrine that vice is synonymous with ignorance and that our progress through the stages of history leads to a quest to shed this ignorance. In addition, Hill argues that Ferguson's conceptualisation of progress is transcendently teleological in that "...the Creator has fashioned people for progress through the free exercise of their faculties" however notes that the extent of our influence within the "teleological supertrajectory" is "impossible to discern" (*Ibid*, 694-695).

Indeed, Hill recognises that there is a "striking underlying tension" between free will and the transcendent order in Ferguson's work (*Ibid*, 696). This uncertainty is clearly

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<sup>187</sup> Ferguson (1966 [1767]) p.8; 123; 205-7 cited in Hill 1997: 679.

<sup>188</sup> According to Ferguson, "...those who have lived in an age of the 'greatest improvements' will perish 'in the flames which they themselves had kindled'" (Ferguson 1966 [1767], p.110 cited in Hill 1997: 681-682).

<sup>189</sup> Moreover, as Hill admits: "Ferguson was not alone among the moderns in resorting to this resolution strategy. Under the influence of Francis Hutcheson, moral cognitivism was commonplace among the moderate literati of the Scottish Enlightenment" (Hill 1997: 681-682). As such, Ferguson is arguably derivative rather than original on this matter.



apparent in Ferguson's discussion of teleology. In *Principles of Moral and Political Science* (1978 [1792]), Ferguson appears to propose an asymptotic teleology, which is paradoxical: "[i]n its continual approach to the infinite perfection of what is eternal, it may be compared to that curve, described by geometers, as in continual approach to a straight line, which it can never reach".<sup>190</sup> Despite this apparent commitment to an evolutionary, open-ended conceptualisation of gradual development over time, Ferguson appears to posit a synchronic conceptualisation of change in his theory of spontaneous re-emergence from despotism: "[w]hen human nature appears in the utmost state of corruption, it has actually begun to reform".<sup>191</sup> Further, as Hill (1997: 705) points out: "Ferguson neglects to stipulate how, precisely, this process of reconstitution is supposed to come about...This portion of his writings lacks resolution and clarity".

Furthermore, as suggested, Ferguson appears to be opposed to the material progress that would lead to such a "moment", as he echoes Montesquieu in arguing that the destruction of prosperity would lead to the destruction of its cause, tyranny,<sup>192</sup> whilst simultaneously placing faith in God's benevolent plan. Additionally, Ferguson appears to reflect classic civic humanism in his desire to create institutional measures to counter moral decline in an age of prosperity (Hill 2003: 7). Ferguson attempts to utilise classical notions of "men of spirit" in order to counteract the "effeminacy" and slackening of civic spirit that industrialization brings,<sup>193</sup> agreeing with Machiavelli

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<sup>190</sup> Ferguson (1978 [1792]) I, pp.184-185, cited in Hill 1997: 701.

<sup>191</sup> Ferguson (1966 [1767]) pp.278-279, cited in Hill 1997: 705.

<sup>192</sup> Montesquieu (1914 [1752]) chapter XXI, p.128. Hill refers to Montesquieu as Ferguson's "absent mentor" (Hill 1997: 704). That Ferguson is derivative of Montesquieu is highlighted in Ferguson's tautology regarding temperate climates, in which Ferguson considers areas where development has been poor as areas that are poor for development (Brewer 1999: 246). In contrast, Smith blames the absence of water transport in central Asia rather than the climate as the contributing factor to poor levels of development (Smith 1976 [1776], I.iii.8).

<sup>193</sup> Ferguson (1966 [1767]) p.110 cited in Hill 1997: 681-682 See Justman (1993), who, unconvincingly, attempts to apply such concerns to the work of Adam Smith.

that war strengthens social bonds, in that a sense of common danger unites communities into becoming “faithful, disinterested, generous” (Ferguson 1966 [1767]: 26-29 cited in Hill 2003: 9). Therefore, Ferguson disagrees that faction is destructive; rather, for him, faction and free government are causally linked. As Hill points out, Ferguson thereby rejects Smith’s and Hume’s practical idea of social harmony, arguing that the existence of “ferments” and factional disputes provide evidence of a progressive, free government (Ferguson 1966 [1767]: 170 cited in Hill 2003: 10-11).

This contradicts Hume’s notion that “[f]actions are...less inveterate, revolutions less tragical, authority less severe, and seditions less frequent” in a commercial society than in a “barbarous” stage of society.<sup>194</sup> In opposition to Smith, Ferguson disagrees that commerce enables extensive sociability, preferring to maintain the civic humanist diagnostic tradition of tight-knit communities and beneficent friendship rather than Smith’s interdependent society of amicable strangers. As noted, for Smith, society can be held together by the division of labour, by justice, by individuals’ impartial spectators, and by sympathy. As Hill (2003: 17; 20) explains, however, in Ferguson’s opinion, Smith had “substituted ‘sympathy’ for genuine moral sentiments and the higher, social virtues for the lower ‘virtues’ of the market”, which would lead to the disintegration of communities and a decline in morality: “Mankind, when in their rude state, have a great uniformity of manners; but when civilized they are engaged in a variety of pursuits; they tread on a larger field and separate to a greater distance”.<sup>195</sup>

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<sup>194</sup> Hume (1987 [1758]) ‘Of Parties in general’, *Essays moral, political and literary*, edited by E. F. Miller, Indianapolis, IN: Liberty Classics, 1987, p.55, cited in Hill 2003: 10.

<sup>195</sup> Ferguson (1966 [1767]) p.315 cited in Lehmann 1960a: 100.

However, it is precisely such differentiation that Smith argues will lead to greater moral awareness, as other-directed behaviour will be necessary to form connections with those with whom we would otherwise have been unable to interact owing to their being considered as enemies. Ferguson's support for faction, whether between individuals, groups or institutionalised within a permanent party political system, may also be seen to reflect Smith's argument in *WN* that advocates a multitude of religious sects in order to avoid political alliances being formed with the dominant religious group (Smith 1976 [1776], V.iii.8). Further, Ferguson's "three-stage" history of the society may be seen to be derivative of Kames' and Smith's four-stage theory of the development of human society through the stages of hunting, herding, farming, and commerce (Berry 2000: 315).<sup>196</sup>

Like Smith, Ferguson attributes these changes to an innate human desire to improve. Unlike Smith, however, he does not provide a mechanism such as approbation via the impartial spectator to explain how such a tendency occurs (Brewer 1999: 242). Indeed, Ferguson describes *TMS* as "a Heap of absolute Nonsense".<sup>197</sup> This is particularly interesting when one considers that Ferguson's argument is largely derivative of Smith's ideas. Echoing Smith's notion of "the uniform, constant, and uninterrupted effort of every man to better his condition" (Smith 1976 [1776], II.iii.31), Ferguson states that material self-interest is "...an consideration the most uniform and constant of any that possesses the mind".<sup>198</sup> However, as Anthony Brewer (1999: 249-253) points out, Ferguson is "analytically imprecise", and his

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<sup>196</sup> As Brewer (1968: 240) notes, Turgot developed the four stages theory in the 1750s, but his idea was not published. Lord Stair and Lord Kames published their ideas regarding the theory in 1757 and 1758 respectively, which perhaps influenced the structure of Smith's lectures in the 1760s. These concepts were developed prior to any of Ferguson's lectures or publications.

<sup>197</sup> Ferguson, A. (1792) 'Of the Principle of Moral Estimation'. *Collection of Essays*, 25, pp.208-212; 2, p.128, cited in Hill 2003: 15.

<sup>198</sup> Ferguson (1966 [1767]) p.144 cited in Brewer 1999: 242.

treatment of economic progress “...cannot be compared directly with Smith’s far more fully worked out and detailed treatment in *The Wealth of Nations*”.

As Ronald Hamowy (1968: 249-255) notes, Smith and Ferguson were both members of the Grassmarket dining club in Edinburgh, where it is likely that discussion about patrons’ findings and theoretical commitments took place. Hamowy explains that between 1780 and Smith’s death in 1790, a dispute occurred between the two thinkers, in which Smith accused Ferguson of “borrowing” his ideas for the latter’s *Essay on the History of Civil Society* (1966 [1767]), which Ferguson refuted, adding that Smith had copied his analysis of pin manufacture in Book I of *WN* from a “French source”.<sup>199</sup> According to Cannan, Smith is the injured party, as Ferguson had copied his ideas from Smith’s lecture notes, which formed the basis of *WN*, in 1763.<sup>200</sup>

This is extremely interesting in itself, however it also serves to indicate the nature of the relationships between the Scottish thinkers in the eighteenth century. As ideas were discussed, themes of inquiry were developed, yet different authors reached diverse conclusions. The lack of referencing that was characteristic of eighteenth century authorship (Barbalet 2005: 174) also adds to the difficulty in understanding which ideas were original, and which were derivative. This is made more complicated when one recognises that the ideas themselves are formed out of interpretations of similar academic influences. For example, as Hamowy (1968: 251) argues, the division of labour idea was not unique to Smith: it can be seen in the ideas of David Hume, James Harris, Bernard Mandeville, and Sir William Petty. Indeed, Schumpeter

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<sup>199</sup> Hamowy explains that French source is likely to be the *Encyclopedie*, edited by Diderot and d’Alembert, rather than Montesquieu, as was first thought (*Ibid*, 256; Buchan 2006: 46-47).

<sup>200</sup> Cannan cited in Hamowy 1968: 250. The chronology of the authors’ published work perhaps demonstrates that Smith was correct in his alleged suspicions, as Ferguson first writes about pin factories in 1782, six years after the publication of the first edition of *WN* (Hamowy 1968: 257).

(1994 [1954]: 214) points out that this idea may be traced back to Plato. Yet Smith's notion of a specific division of labour within a particular place of work is not comparable to Plato's idea of a division of labour within a community. It is the latter idea to which Schumpeter points, which may be seen to have influenced the thought of Hume, Harris, Mandeville, and Petty. Smith may have been stimulated by Plato's concept, yet, as Brewer (1999: 239) notes, he was the first to realize the possibilities of mass efficiency due to the aggregation of the division of labour within a nation's workplaces: "Ferguson, like other writers of the time, had not quite made this leap of abstraction".<sup>201</sup>

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<sup>201</sup> Further, Smith is the only author to have explicitly connected the consequent increase in living standards to a heightened morality within society. Turgot anticipates Smith's idea of continued growth driven by capital accumulation, but in less detail. Similarly, the same author had developed a notion of the development of society in four stages. Neither of these ideas had been published before Smith's work appeared, however, which makes it less likely that they were a direct influence upon Smith, although this is difficult to establish (Brewer 1999: 241).

#### 2.2.4) Millar and Stewart

Among these “other writers” is perhaps John Millar, Crown Chair of Civil Law at Glasgow between 1761 and his death in 1801, during which time his lectures followed a system of classification as suggested by the *Corpus Iuris* of Roman Lawyers. As Lehmann explains, this enabled Millar’s students to view particular laws, or a whole system of law, and particular political institutions, in light of their historical development as their adaptation to changing contextual circumstances. For Millar, therefore, justice is historically conditioned, which echoes Hume’s and Smith’s views that circumstantial differences, not *a priori* motives, shape history (Lehmann 1960b: 56-62; 1960a: 126). Indeed, Haakonssen (1996: 160) points out that Millar’s central theory of justice “...is in fact little more than a summary and conscious restatement of their [Hume’s and Smith’s] ideas”.<sup>202</sup> An example of this is Millar’s rewording of Smith’s impartial spectator concept: “[t]he infringement of the rules of Justice...never fails to excite resentment in the breast of the person injured, and indignation in that of the spectators”.<sup>203</sup> Millar also concurs with Smith and Hume that commercial society had made manners civilized, yet, like Smith, was aware that the broader availability of social and political enlightenment for the poor was limited without basic education and wider social mobility (Haakonssen 1996: 169-173).

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<sup>202</sup> Indeed, Ignatieff (1983: 320) points to Smith’s jurisprudence lectures as “the decisive event in Millar’s intellectual life”. Millar was a student at Glasgow from 1746 to 1751 (Lehmann 1960b: 56).

<sup>203</sup> Craig, J. (1804) ‘Account of the Life and Writings of John Millar, Esq.’ in Millar, J. (1804) *The Origin of the Distinction of Ranks*, fourth edition, Edinburgh, p.xxxii, cited in Haakonssen 1996: 161.

In *WN*, Smith points out the tendency of the “labouring poor, that is, the great body of the people” to suffer a kind of “mental mutilation” from repetitive, mundane tasks, which leads into his discussion of education (Smith 1976 [1776], V.i.6.50; V.ii.60). Again echoing Smith, Millar is concerned with “the powerful tendency” of repetitive modes of work that the poor were made to undertake “to render them ignorant and stupid”, which prompts his advocacy of educational programmes for the poor through the institution of schools and seminaries.<sup>204</sup> Despite being clearly influenced by Smith, and by Hume, on these and other matters, Millar may be seen to demonstrate a pessimism and conservatism that is similar to that of other Scottish Enlightenment thinkers.<sup>205</sup> Indeed, whereas Millar agrees with Smith that individuals’ morals replicate the general standard of propriety of a particular time and place, Millar posits that sympathetic interaction within commercial society merely reflects a utilitarian attainment of reciprocal good offices, as: “[t]he pursuit of riches becomes a scramble in which the hand of every man is against the other”.<sup>206</sup>

This appears to echo Smith’s passage in *TMS* in which he discusses competitive individualism: “[i]n the race for wealth, and honours, and preferments, he may run as hard as he can, and strain every nerve and every muscle, in order to outstrip all his competitors”. However, whereas Millar insists upon the bitterness of the struggle for success, Smith is clear that this is not a necessary characteristic of commercial activity: “...if he should jostle, or throw down any of them, the indulgence of the

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<sup>204</sup> Millar, J. (1803 [1787]) *The Historical View of the English Government*. London: Mawman, pp.141-161, cited in Lehmann 1960a: 78. Smith is however wary of an educational system funded exclusively by the state, as this may lead to “man of system” tendencies (Smith 1976 [1776], V.i.6.55). This is discussed in more detail in 2.3.1.

<sup>205</sup> Millar also draws upon Smith’s distinction between the general “laws of justice” and the particular “laws of police” in order to arrive at the derivative contrast between fundamental rights and government (Haakonssen 1996: 165), and follows Smith and Hume in rejecting calls for the levelling of property (*Ibid*, 171).

<sup>206</sup> Millar, J. (1803 [1787]) pp.248-9, cited in Ignatieff 1983: 340; Lehmann 1960a: 386-387.

spectators is entirely at an end. It is a violation of fair play, which they cannot admit of” (Smith 1976 [1790], II.ii.2.1). Such “spectators” in the “race” are analogous to the impartial spectators that ensure societal and self-approbation at morally well-founded actions, as the just person “...feels himself to be the natural object of their love and gratitude, and, by sympathy with them, of the esteem and approbation of all mankind”. Conversely, selfish behaviour will ensure societal and self-condemnation, “...the dread and terror of punishment from the consciousness of the justly provoked resentment of all rational creatures” (*Ibid*, II.ii.2.3-4).

In comparison to Smith, Millar therefore places little faith in the moral autonomy of the individuals’ “impartial and well-informed spectator...the man within the breast” (*Ibid*, III.ii.32), as he doubts that conscience could successfully withstand the supposedly pernicious temptation of the “commercial spirit” (Ignatieff 1983: 340). Millar’s pessimism regarding morality in commercial society is therefore comparable to that of Mandeville, Kames, Turnbull, Reid and Ferguson. However, according to Ignatieff, Millar’s comparative lack of influence is grounded in his “intellectual disarray”, as is evinced in “...the sweeping moral jeremiad of the final pages of the *Historical View [of the English Government]*” (*Ibid*, 345). Such a theological and negative interpretation of humanity’s ability to live harmoniously is also reflected in the work of Dugald Stewart, Smith’s first biographer. Reflecting the foundationalism of the mainstream of Scottish Enlightenment thought, Stewart rejects the subjectivism that he viewed as apparent in Smith and Hume’s moral philosophy, arguing that moral qualities exist independently of the perception of the human mind.

Whereas for Smith, as for Hume, historical and cultural specifics are fundamental to the setting of the conditions of impartial, and therefore moral, standpoints, to Stewart



these are merely circumstantial and historical prejudices that obfuscate natural, immutable morality. Reflecting Reid, Stewart assumes that such “distortions” can be abandoned when minds are educated (Haakonssen 1996: 227-232).<sup>207</sup> As Stewart considers moral excellence to be unequal between individuals, he advocates that moral education be employed, to develop an understanding of the relationship between private happiness, morally right behaviour and public happiness at an early stage. Stewart therefore echoes Reid’s normative Common Sense idea of a state-provided elementary school system, in which the content of education is regulated by government as a religious aid to moral development (*Ibid*, 234-236).<sup>208</sup>

However, Stewart’s moral teaching, which would seek to inculcate a fundamental theological, objective standard of morality that refers to the teleological unfolding of God’s plan, does not seek to cultivate civic virtue for everyone. This is in contrast to Reid’s notion of moral education for all. Rather, Stewart’s aim was to make Reid’s Common Sense philosophy socially effective by instilling such moral attainment in an elite leadership that could direct society politically. Nevertheless, such an aim stresses Reid’s notion of the moral primacy of God’s design over that of the individual, which may be directly contrasted to Smith’s omitting to explain social order through reference to the design of the Deity. As Haakonssen points out, this serves to demonstrate “...how close Stewart is to the mainstream of Scottish moral thought in the Enlightenment and how distant he is from Hume and Smith” (Haakonssen 1996: 260-264).

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<sup>207</sup> As Haakonssen (1996: 263) points out, Smith develops a complex socio-historical theory to address this, whereas Stewart places the full explanatory burden on the moral powers of the subject. This is possible, according to Stewart, because Reid’s foundationalism refutes Hume’s ‘Theory of Ideas’.

<sup>208</sup> Yet despite such obvious divergences from Smith’s ideas relating to his advocating of a limited role for government intervention, particularly within such an influential area as education, Stewart employs Smithian phrases and quotes Smith extensively, which: “suggest[s] a closer connection to Smith than there really is” (Haakonssen 1996: 240; 248-250).

Reid's influence upon Stewart is therefore profound, which may be said to have indirectly affected the views of those who followed him. Indeed, Stewart's adaptation of Reid's ideas was highly influential. Haakonssen highlights that James Mill and James Mackintosh, creators of the *Edinburgh Review* that were also involved in the 1832 Reform Act, follow Stewart's notion of moral certainty and belief in the power of education "...to modify the mind...different from what it would otherwise have been".<sup>209</sup> Such beliefs reflect the moral certainty of the teleological arguments of the Protestant tradition that posit God's will as knowable, immutable and innate. For Smith, in contrast, the moral world is genuinely open-ended (Haakonssen 1996: 307).

Unlike the mainstream Scottish Enlightenment theorists, Smith seeks to consider how commercial society affects individuals' behaviour rather than posit, as those within the mainstream do, how people ought to behave. Smith's impartial spectator concept affords him a detailed framework within which to interpret such contextual influences, enabling him to avoid the "man of system" tendencies as displayed by the Scottish Enlightenment thinkers that seek to introduce their own, specific "supreme standard of right and wrong" into institutional mechanisms (Smith 1976 [1790], VI.ii.2.18). The comparative flexibility of Smith's notion of propriety, as demonstrated by his impartial spectator concept, is discussed by way of comparison with such accounts in the next section.

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<sup>209</sup> Burston, W. H. (1969) *James Mill on Education*, Cambridge: Cambridge University Press, p.70, cited in Haakonssen 1996: 302-303.

### Part Three: 'Of the Influence of Custom and Fashion upon Moral Sentiments'

#### 2.3.1) Moral education and men of system

Whether Smith privileges the universal over the contextual is an ongoing source of tension within the heterodox debate.<sup>210</sup> This relates to questions regarding whether he engages in moral relativity or posits immutable standards of right and wrong, and its effect upon his methodology. In this section I argue that Smith's appeal to different cultural articulations of the human experience enables him to avoid these epistemological traps, as it involves a critical intersubjective understanding of morality that succinctly combines universal and contextual influences.

As discussed in 2.2.2, Smith observes in *TMS* that casuistic rules become reified over time into a legal formula for moral assessment. As he also points out, this "spirit of system" is damaging in formal modes of education. Indeed, as Smith argues: "...the richest and best endowed universities" are those that are "the most averse to permit any considerable change in the established plan of education" as advocated by the Church and the Common Sense thinkers (Smith 1976 [1790], I.iii.3; III.iii.43; VI.ii.2.15; V.iii.2.34). By contrast, Smith's flexible notion of moral education involves sensitivity to a plurality of experiences and openness to new forms of knowledge that is consistent with the evolutionary approach he recommends

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<sup>210</sup> See, for examples, Haakonssen 1982: 206-207; 214-221; Haakonssen 1981: 74; Kettler 1979: 869; Levine 1998: 38; 57-58; Vivenza 2001: 88-89; Weinstein 2006: 27-28; Winch 1978. Haakonssen (1982: 214) characterises Smith's idea of natural law as "...the combination of the universal and the particular in the figure of the Impartial Spectator".

throughout his *oeuvre*. Therefore, Smith is clear that such knowledge is not solely derived from formal schooling. Rather, he observes that higher standards of propriety are arrived at via a process of interaction and reflection that occurs in everyday life:

...the most vulgar education teaches us to act, upon all important occasions, with some sort of impartiality between ourselves and others, and even the ordinary commerce of the world is capable of adjusting our active principles to some degree of propriety (*Ibid*, III.iii.7).

Smith also notes that this process of lifelong learning contributes to the alleviation of perceived differences. Indeed, despite observing that we sympathise most effectively with those whom we share, or perceive to share, common experiences, such a process facilitates more extensive sympathy. Smith observes that individuals sympathise firstly with themselves; next, with their family members; then, with their workmates; then, their neighbours; and lastly those within their “state or sovereignty” (*Ibid*, VI.ii.2.1; VI.ii.1.2 See also *Ibid*, VI.ii.1.16). This hierarchy is arguably reflected in his discussion of children’s education in *TMS*. Here, Smith explains that children learn firstly from their parents, then from their siblings, and then from early friendships: “[w]hen it is old enough to go to school, or to mix with its equals”. Indeed, he is clear that a child’s development is preferably achieved within such a sequence:

Surely no acquirement, which can possibly be derived from what is called a public education, can make any sort of compensation for what is almost certainly and necessarily lost by it. Domestic education is the institution of nature; public education, the contrivance of man. It is surely unnecessary to say, which is likely to be the wisest (*Ibid*, VI.ii.1.10; III.iii.22).

Smith points out in *WN* that children are “for the first six or eight years of their existence...very much alike”. It is therefore the division of labour “which appears to distinguish men of different professions, when grown up to maturity” (Smith 1976 [1776], I.ii.4). As he explains in *TMS*, a child’s development of self-control through the impartial spectator is a matter of “constant practice”:

It thus enters into the great school of self-command, it studies to be more and more master of itself, and begins to exercise over its own feelings a discipline which the practice of the longest life is very seldom sufficient to bring to complete perfection (Smith 1976 [1790], III.iii.22; See also *Ibid*, I.v.4-6).

With maturity, “[w]ith the eyes of this great inmate he has always been accustomed to regard whatever relates to himself. This habit has become perfectly familiar to him” (*Ibid*, III.iii.25).<sup>211</sup> As such, Smith’s flexible notion of education clearly differs from its formal incarnation as advocated by Kames and Reid.

Smith concurs with Kames’ advocacy of parental input into the development of a child’s morality and capacity for independent thought before entering school. Yet Kames’ proposal for “a more perfect system of education” is through greater state involvement that seeks to instil religious values: “[a]mong the many branches of education, that which tends to make deep impressions of virtue, ought to be a fundamental measure in a well-regulated government”.<sup>212</sup> Reid, for whom it is the “principle care of the state to make good citizens by proper education”, reflects this view.<sup>213</sup> Smith also agrees with Kames’ advocacy of a school in every parish. However, this is a pragmatic endorsement based upon the recognition that instruction in the basics of “geometry and mechanicks” provides them with the skills necessary to find employment. As such he is able to retain his ambivalence regarding the tendency of state education to promote sectional interests whilst pragmatically pointing out that greater equality for the labouring poor will only come about through their familiarity with “the most essential parts of education...to read, write, and account” which “[f]or

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<sup>211</sup> Over time, therefore: “[h]e does not merely affect the sentiments of the impartial spectator. He really adopts them” (*Ibid*).

<sup>212</sup> Home, H. (1761) *The Art of Thinking*, section VII, cited in Lehmann 1971: 244. Indeed, for Kames, “[e]ducation may well be deemed one of the capital arts of government” (*Ibid*, Preface, cited in Lehmann 1971: 238).

<sup>213</sup> Reid (1863 [1788]) pp.577b-578a cited in Haakonssen 1996: 219-220.

a very small expence the publick can facilitate”.<sup>214</sup> It is thus considerations of public utility rather than mere benevolence that prompts Smith’s advocacy of basic education, which, he argues, prompts greater self-reliance. As he states in his lectures:

[n]othing tends so much to corrupt and enervate and debase the mind as dependency, and nothing gives such noble and generous notions of probity as freedom and independency. Commerce is one great preventive of this custom (Smith 1987 *LJ [A]*, vi.6).<sup>215</sup>

In contrast, for Kames: “[k]nowledge is a dangerous acquisition for the labouring poor”.<sup>216</sup> This elitism, later expounded by Dugald Stewart, is also reflected in the views of David Hume. For Hume, education strengthens, rather than creates, our moral principles. As such, Smith may be seen to develop Hume’s instinctivist view of education.<sup>217</sup> Yet for Hume, the consequence of education is the development of taste, of which, he argues, the “generality of men” do not possess the capability of understanding.<sup>218</sup> That this reflects Kames’ notion that taste is unobtainable to those “who depend for food on bodily labour”<sup>219</sup> perhaps demonstrates Smith’s transcendence of the type of elitism that other Scottish Enlightenment thinkers were unwilling or unable to overcome.

Indeed, Smith’s suggestion that moral reflection independent from religiously inspired and state-delivered education is within the capabilities of ordinary agents may be viewed as wholly innovative. As Weinstein (2006: 9; 28) explains, such an insight is

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<sup>214</sup> Smith advocates the establishment of “...in every parish or district a little school, where children may be taught for a reward so moderate, that even a common labourer may afford it; the master being partly, but not wholly paid by the publick” (Smith 1976 [1776], V.iii.2.53-54); Lehmann 1971: 238-244; Griswold 1999: 254.

<sup>215</sup> Such dependency may plausibly be conceptualised as spiritual as well as material dependency, as Smith appears to advocate self-determination of morality as opposed to that suggested by organised religion.

<sup>216</sup> Home, H. (1774) *Sketches of the History of Man*, III, 90f, Edinburgh: Strahan and Cadell, cited in Lehmann 1971: 245.

<sup>217</sup> Davie 1973: 22-23; Davis 2003: 572.

<sup>218</sup> Hume, D. (1987 [1757]) ‘Of the Standard of Taste’ in *Essays Moral Political and Literary*, edited by Miller, E. F., Indianapolis, IN: Liberty Fund, p.241, cited in Davis 2003: 572.

<sup>219</sup> Home, H. (1817 [1762]) *Elements of Criticism*, London: Blake, p.446, cited in Davis 2003: 572.

possible because Smith is able to combine general standards of morality with a context-dependent moral psychology. This enables him to effectively describe everyday experience without recourse to notions of either an immutable utopia that can readily be discerned through religion, or sceptical ideas that deny the possibility of shared human experiences. In this manner, Smith is also able to characterise societal development as an uneven, evolving process, without appealing to a fatalistic teleology akin to that subscribed to by the mainstream Scottish Enlightenment thinkers.<sup>220</sup>

Indeed, although his ideal legislator reflects a few universal principles of practical reasoning, Smith's use of the modern natural lawyers' and Montesquieu's notion that the understanding of them is not serves to demonstrate that the development of society is an open-ended process that arises from the unintended consequences of actors' judgments, as well as to highlight the dangers of utopian schemes that seek to obstruct this natural course with the "madness of fanaticism" (Smith 1976 [1790], VI.ii.2.15; Haakonssen 1982: 205-213). Smith's moral philosophy therefore contains implicit normative intentions whilst lacking overt substantive prescriptions. Indeed, it is precisely such prescriptions that he warns against in his discussion of the "man of system" in Part VI of *TMS*, from which it is instructive to quote at length:

The man whose public spirit is prompted altogether by humanity and benevolence, will respect the established powers and privileges even of individuals, and still more those of the great orders and societies, into which the state is divided...When he cannot establish the right, he will not disdain to ameliorate the wrong; but like Solon, when he cannot establish the best system of laws, he will endeavour to establish the best that the people can bear.

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<sup>220</sup> Weinstein 2006: 24-28; Griswold 1999: 296 As Haakonssen (1996: 131) argues, the object of the impartial spectator's judgement is a socially formed self, "...but this does not mean that there are no universally constant features of humanity...the moral philosopher can trace certain patterns of moral reaction across different societies and cultures".

The man of system, on the contrary, is apt to be very wise in his own conceit; and is often so enamoured with the supposed beauty of his own ideal plan of government, that he cannot suffer the smallest deviation from any part of it...He seems to imagine that he can arrange the different members of a great society with as much ease as the hand arranges the different pieces upon a chess-board. He does not consider that the pieces upon the chess-board have no other principle of motion besides that which the hand impresses upon them; but that, in the great chess-board of human society, every single piece has a principle of motion of its own, altogether different from that which the legislature might chuse to impress upon it.

Some general, and even systematical, idea of the perfection of policy and law, may no doubt be necessary for directing the views of the statesman. But to insist upon establishing, and upon establishing all at once, and in spite of all opposition, every thing which that idea may seem to require, must often be the highest degree of arrogance. It is to erect his own judgment into the supreme standard of right and wrong. It is to fancy himself the only wise and worthy man in the commonwealth, and that his fellow-citizens should accommodate themselves to him and not he to them (Smith 1976 [1790], VI.ii.2.16-18).

In warning against this approach, Smith may clearly be seen to be advising against the intrusive tendencies of government based on supposedly immutable “truths” that the Common Sense theorists subsequently advocate. Yet, as Macfie (1967: 70) argues, the chessboard analogy in the “man of system” passage shows that “...people are not mechanical or inanimate pieces, so neither can mechanical or logical thinking explain them”.<sup>221</sup> As such, Smith is able to reject teleological explanations whilst providing a warning about those that seek to utilize such explanations to justify their religious or political actions:

When by natural principles we are led to advance those ends, which a refined and enlightened reason would recommend to us, we are very apt to impute to that reason, as to their efficient cause, the sentiments and actions by which we advance those ends, and to imagine that to be the wisdom of man, which in reality is the wisdom of God (Smith 1976 [1790], II.ii.3.5).

As Charles Griswold (1999: 245) explains, whilst appearing to relate the progress of society to a divine plan, Smith is here actually reminding us not to mistake the

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<sup>221</sup> As Macfie (1967: 70) explains, Smith is able to develop an implicit social theory via his treatment of sympathy and the impartial spectator that is not offered as a theory of society, but is a reflection of his inductive observations and philosophical thought regarding everyday life.



efficient for the final cause, and therefore not to confuse apparent systemic coherence with moral justification. Indeed, Smith's statement that: "[h]uman society, when we contemplate it in a certain abstract and philosophical light, appears like a great, an immense machine, whose regular and harmonious movements produce a thousand agreeable effects" supported by "the great Director of the universe" (Smith 1976 [1790], VII.iii.1.2-4) does not reflect a teleological approach. Rather, Smith is highlighting the dangers in reading moral or theological "truths" from particular circumstances. As Haakonssen (1981: 74-75) explains, for Smith: "[m]en believe in God and an after-life because they are led to it by their moral convictions". As such, religious belief is a continuation of individuals' moral sentiments. This is a radical departure from Christian assertions of a Divine plan that so influenced the majority of Scottish Enlightenment thought.

### 2.3.2) Multiple impartial spectators

According to Haakonssen (1996: 134-152), Smith's refutation of orthodox philosophical arguments relating to God's will is influenced by Samuel von Cocceji's (1740) transformation of the natural law theory of sociality into one of recognition of mankind's individual relationship with God, as: "[t]he covenant of God was replaced by the inner dialogue of the moral character, divine jurisprudence by the theory of moral sentiments". As Haakonssen notes, despite Cocceji's theocratic conservatism, his "inner dialogue" implies individual self-legislation, which Smith arguably develops into his concept of moral self-evaluation through one's impartial spectator.<sup>222</sup>

As has been argued, Smith's development of the role of moral imagination, sympathy, also relates to Hutcheson's notion of spectatorial approval of moral motives. Arguably, Smith's acknowledgement of differentiated levels of spectatorial concord among individuals reflects Hutcheson's view that perfect virtue belongs to those that are as benevolent as they are able to be. Despite dismissing Hutcheson's notion of a discernible objective morality, Smith employs his acknowledgement of diverse abilities in relation to personal reflection upon one's conscience. As such, he is able to observe that agents are as in harmony with their own and others' impartial spectator as they are capable of being.<sup>223</sup>

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<sup>222</sup> Raphael and Macfie, intro to Smith 1976 (1790), p.17. Reflection upon another agent's impartial spectator is made possible by an understanding of and sympathy with the action taken by the actor in light of the motives that may have prompted their course of action.

<sup>223</sup> See Smith 1976 (1790), III.iii.21; I.iv.7. My argument here is in direct contrast to that made by Hope, who argues that: "[n]one of this means that the Impartial Spectator varies from person to person, or that each person has his own individual spectator..." (Hope 1989: 102).

Indeed, although Smith notes that the impartial spectator enables the agent to see their situation in a “candid and impartial light” (Smith 1976 [1790], I.i.4.8) this “reasonable man” is no Kantian universal “rational man” that pertains to an exclusive moral standpoint, as Griswold (1999: 139) points out. Instead, Smith’s post-religious concept of individual self-determination through the impartial spectator enables him to countenance individuals’ independent evaluation of the “propriety” of an action, as well as the “praise or blame” that may be attached to its motivation without recourse to any notion of an objective moral standard. As Griswold explains, Smith rejects the idea of such a rational morality as had been promoted by philosophers from the Stoics to Hutcheson: “[i]n defending the standpoint of ordinary life, Smith rejects moral theory that imposes demands we cannot meet and...guilt we ought not to bear”.<sup>224</sup>

Smith’s recognition that a variety of spectatorial standards exists “from one person to the next” is also evinced in his statement that there are “different shades and gradations of weakness and self-command” within and among actors. Further, his point that “[t]he man who is himself at ease can best attend to the distress of others” also reflects a framework of differentiated capabilities that is analogous to the different levels of dexterity achieved by workers in a commercial society within the division of labour (Smith 1976 [1790], III.iii.21; III.iii.37; Haakonssen 1996: 152; 132). Indeed, it may be argued that the pin factory example that Smith employs in *WN* in order to describe the commercial benefits of such a division of labour is analogous to the advance in moral dexterity that he suggests is possible within modern society as explicated within *TMS*.

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<sup>224</sup> Griswold 1999: 141-142; Smith 1976 (1790), II.iii.3; Ross 1995: 164.

Smith also places emphasis upon the influence of context in determining standards of beauty, which are analogous to standards of propriety. However, as he notes, this does not imply that a motive or its interpretation is entirely determined by the “principles of custom and fashion”:

The principles of the imagination, upon which our sense of beauty depends, are of a very nice and delicate nature, and may easily be altered by habit and education: but the sentiments of moral approbation and disapprobation, are founded on the strongest and most vigorous passions of human nature; and though they may be somewhat warped, cannot be entirely perverted.

Smith is therefore able to appeal to basic moral judgements, yet remain sensitive to the influence of time and place upon perceived propriety:

...though I cannot admit that custom is the sole principle of beauty, yet I can so far allow the truth of this ingenious system as to grant, that there is scarce any one external form so beautiful as to please, if quite contrary to custom and unlike whatever we have been used to in that particular species of things (Smith 1976 [1790], V.ii.1; V.i.9).

As Salter (1999: 222) explains, Smith utilises this distinction in order to highlight that, although there are observable similarities among those passions that lead societies to punish the guilty and protect the innocent, the virtue of self-command is cultivated by our situation and our relationship to others. Smith therefore posits the everyday philosophical observance that there are a few common human traits that are reflected in the basis of general laws or rules across societies. Moreover, Smith points out that these are useful:

Without this sacred regard to general rules, there is no man whose conduct can be much depended upon. It is this which constitutes the most essential difference between a man of principle and honour and a worthless fellow (Smith 1976 [1790], III.v.2).<sup>225</sup>

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<sup>225</sup> Smith points out in the preceding passage: “[t]he coarse clay of which the bulk of mankind are formed, cannot be wrought up to... perfection. There is scarce any man, however, who by discipline, education, and example, may not be so impressed with a regard to general rules, as to act upon almost every occasion with tolerable decency, and through the whole of his life to avoid any considerable degree of blame” (*Ibid*, III.v.1).

Yet Smith is keenly aware of the multitude of differences that occur within this broad framework. Indeed, he appears to suggest throughout his work that, against those that seek to establish one “truth”, a plurality of perspectives is necessary to a harmonious society. This is arguably reflected in his advocacy of a multitude of religious sects in *WN*. Indeed, as with his critique of formal education, Smith advocates a natural religious awareness that is available via meditation upon one’s conscience rather than through mediation by organised religion (*Ibid*, III.v.13).<sup>226</sup>

Smith’s disdain for such perversions of the moral sentiments may similarly be viewed in his disparaging references to mercantilists, moralists and men of system in other parts of his work.<sup>227</sup> Smith may therefore appear to be acknowledging a “natural” objective course of events, from which such deviations are to be considered as perversions. Yet, as has been argued, he is at pains to point out the spontaneous nature of human development, and is also anxious to avoid the establishment of a set of rules that he recognises as context and time-specific. Indeed, if he were positing one ideal standard, Smith would have merely succeeded in replacing the religious notion of an immutable teleology with a socio-psychological one. In contrast, his broader point appears to be to warn against such a tendency towards aiming at an unattainable Utopia, whilst acknowledging humanity’s proclivity towards improvement as a distinctly non-linear process.<sup>228</sup>

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<sup>226</sup> See also *Ibid*, III.ii.35; Smith 1976 (1776), V.iii.9 As Haakonssen (1981: 76) points out, Smith’s natural religion “...is very different from structured religious systems”.

<sup>227</sup> See Smith 1976 (1776), Book III; Book IV; Smith 1976 (1790), III.iii.9; VI.ii.2.16-18.

<sup>228</sup> “To expect, indeed, that the freedom of trade should ever be entirely restored in Great Britain, is as absurd as to expect that an Oceana or Utopia should ever be established in it” (Smith 1976 [1776], IV.ii.43). Smith’s evolutionary view of the nature of knowledge is discussed in 3.3.1-3.

To be sure, Smith conceptualises a framework within which different aptitudes co-exist.<sup>229</sup> Indeed, he points out that the disagreeable passions are as indispensable to society as the acceptable ones within and among persons. This necessarily involves a countenancing of different levels of ability regarding reflection upon one's impartial spectator. As Smith notes: "[e]mulation, the anxious desire that we ourselves should excel, is originally founded in our admiration of the excellence of others" (Smith 1976 [1790], III.ii.3). Therefore, just as we attempt to improve our material conditions by self-consciously emulating the happiness that we imagine the rich enjoy, we also strive to improve our reflexive abilities in relation to our impartial spectator through emulation of those actors that we perceive to be in concord with theirs. This ability is developed through the mutual sympathy mechanism for the selection of behaviour that is appropriate to the situation, which is founded upon individual and social spectatorial approval.

Such a conceptualisation of the gradual elimination of inappropriate behaviour and the reinforcement of apposite conduct may appear to provide a teleological element to Smith's work. Indeed, as Haakonssen argues, although Smith points out that man's teleological inferences about the afterlife are speculative, he does not state that such speculation is invalid. Yet Smith points out, in contrast to the Common Sense theorists, that the real happiness, or tranquillity, that is usually associated with the afterlife, is attainable within society through social interaction initiated by commercial activity, and inspired by reflection upon one's own impartial spectator. This enables reflection upon others' motives, at which point propriety is established, without an appeal to a religiously or philosophically inspired objective standard.

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<sup>229</sup> Indeed, Smith's dividing of the passions of the imagination into the unsocial, social, and selfish arguably provides an analogy to a conceptualisation of different levels of individuals' capability for achieving harmony with their impartial spectator (Smith 1976 [1790], I.ii.3-5).

As Haakonssen highlights, previous attempts at establishing a system of morals had failed because moral philosophers had attempted to evaluate individual behaviour by their perception of such standards. In contrast, Smith's philosophy of unintended consequences acknowledges that agents act for individual purposes, which may only retrospectively be recognizable as some kind of order. His limited use of teleology may therefore be considered legitimate as it provides the efficient cause for socially appropriate behaviour, which countenances local knowledge as well as general principles. In highlighting unintended consequences, Smith is also able to explain changing standards of propriety, and is thus able to refrain from positing a fixed future point at which society should aim.

### 2.3.3) Principles of right and wrong

That it is never Smith's intention to seek to instruct people in what is right and what is wrong is evinced by the lack of any attempt on his part to establish a set of moral doctrines or rules by which people ought to live. Indeed, he attacks Hobbes' notion that "[t]he laws of the civil magistrate...ought to be regarded as the sole ultimate standards of what was just and unjust, what was right and wrong" (Smith 1976 [1790], VII.iii.2.1; Haakonssen 1981: 55-59; 71-81; 135). Yet this would appear to suggest that Smith agrees that there is a natural distinction between right and wrong. To be sure, in his discussion regarding the influence of custom and fashion on the moral sentiments in Part V of *TMS*, Smith acknowledges "the plainest principles of right and wrong" (Smith 1976 [1790], V.ii.14). However, he rejects Ralph Cudworth's attempt to base such a distinction upon universal human reason, and, as discussed in 2.1.3, is critical of Hutcheson's founding of approbation upon the "moral sense".

Smith accepts the traditional distinction between natural and acquired rights, in which some rights are so basic that they can be considered as universal (*Ibid*, VII.iii.2.5; VII.iii.3.11). This facilitates similar evaluations between different impartial spectators. Yet he does not posit that there is a universalistic standard by which to evaluate. Rather, he suggests a general framework within which punishment of spectatorial resentment is actualised differently in different societies.<sup>230</sup> In this way, Smith is able to observe that human nature has some defining characteristics, which are articulated culturally, rather than attempt to strongly advocate definite *a priori*

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<sup>230</sup> As Haakonssen (1981: 148) points out: "...it would make little sense", for instance, " ...for an impartial spectator to recognize trespass as injury in a society which had no idea of property in land; but clearly the principles upon which he recognizes theft of animals as injury amongst a society of nomads and those upon which he recognizes as trespass as an injury amongst a farming community are the same".



standards of right and wrong by which we should live. Indeed, although he points out that punishment of resentment regarding perfect rights is a universal theme, Smith is clear that the blame we attach to injustices must arise from individual cases, as reflection upon the unique motive in each case determines the degree to which the impartial spectator sympathises with the resentment of the sufferer. Such impartial self-legislation is reflected in Smith's point that:

[o]ne individual must never prefer himself so much even to any other individual, as to hurt or injure that other, in order to benefit himself...

There is no commonly honest man who does not more dread the inward disgrace of such an action, the indelible stain which it would for ever stamp upon his own mind (*Ibid*, III.iii.6).

When formal legal proceedings are required, Smith demonstrates a preference for case law over statute law,<sup>231</sup> which reflects his preference for specific interpretations of general laws, rather than general applications of specific laws. In contrast to the legislative ambitions of the Common Sense theorists, therefore, Smith's account allows for changes in standards over time, as well as for contemporaneous legal differences in different countries. These preferences reflect the tenets of natural justice, which, as Salter (1999: 215-218) points out, does not detract from the accuracy of law but indicates the most practical way that this accuracy can be achieved. Smith's pragmatism and support for general over specific laws is demonstrated in his antipathy towards the poor laws,<sup>232</sup> and tacit support for the English Corn Laws Act of 1772, which he considers to be "...the best which the interests, prejudices and temper of the times would admit of". However Smith's ability to incorporate change within his theory is also apparent in his statement that

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<sup>231</sup> In *LRBL*, Smith states: "Common Law...is found to be much more equitable than that which is founded on Statute only...as what is founded on practise and experience must be better adapted to particular cases than that which is derived from theory only" (Smith 1983, Lecture 28, p.175).

<sup>232</sup> Which were "peculiar to England" and, according to Smith, restricted labour mobility (Smith 1976 [1776], I.x.2.45-56).

the latter “may perhaps in due time prepare the way for a better” system (Smith 1976 [1776], IV.v.50).<sup>233</sup>

This optimism is arguably a feature of Smith’s methodology. As Haakonssen (1982: 215) points out, Smith goes to extensive lengths to “combine analysis of contemporary law and the history of its genesis”. Indeed, his analysis of moral relativity is facilitated by such historical investigation. Smith’s discussions of infanticide and slavery clearly demonstrate that social acceptability is not a sufficient condition of what is right (Smith 1976 [1790], V.ii.9; VII.i.28).<sup>234</sup> Arguably, this was his point, as his discussion demonstrates that what is viewed as proper in one age, but is plainly wrong, becomes improper once its inhumanity is recognised (Hope 1989: 86-87). Smith is thus able to combine his historical and empirical observations of different interpretations of morality with those of “...the plainest principles of right and wrong” (Smith 1976 [1790], V.ii.14) - and thus retain his critical faculty - without lapsing into moral relativity. Furthermore, he is confident that the potential educability of people will enable them to see what they were previously blind to.

In this, Smith is not positing an objective morality. Rather, he is merely suggesting that our sense of merit and demerit can be improved through education:

The person who is deliberately guilty of a disgraceful action, we may lay it down, I believe, as a general rule, can seldom have much sense of the disgrace; and the person who is habitually guilty of it, can scarce have any of it (*Ibid*, VI.iii.14).

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<sup>233</sup> This would allow: “...all nations to follow the liberal system of free exportation and free importation” that is “not only the best palliative of a dearth, but the most effectual preventative of a famine” (Smith 1976 [1776], IV.v.b.39).

<sup>234</sup> As Smith states: “...the characters and conduct of a Nero, or a Claudius, are what no custom will ever reconcile us to, what no fashion will ever render agreeable; ...the one will always be the object of dread and hatred; the other of scorn and derision” (Smith 1976 [1790], V.ii.1).

Those who have been educated in what is really good company...who have been accustomed to see nothing in the persons whom they esteemed and lived with, but justice, modesty, humanity, and good order; are more shocked with whatever seems to be inconsistent with the rules which those virtues prescribe. Those, on the contrary, who have had the misfortune to be brought up amidst violence, licentiousness, falsehood, and injustice; lose, though not all sense of the impropriety of such conduct, yet all sense of its dreadful enormity, or of the vengeance and punishment due to it. They have been familiarized with it from their infancy, custom has rendered it habitual to them, and they are very apt to regard it as, what is called, the way of the world, something which either may, or must be practised, to hinder us from being the dupes of our own integrity (*Ibid*, V.ii.2).

Smith is thus able to account for varying degrees of moral aptitude within and among societies throughout history without judging by or advocating any particular moral standpoint. However, Smith does not condone such an absence of virtue as he describes above: such patterns of emulation help explain but do not justify moral torpor. Yet he maintains that active reflection upon one's impartial spectator, developed gradually under improving material conditions, will ensure the independent evaluation of one's own actions within a general framework of societal propriety that will lead to moral progress.

#### 2.3.4) Roman Stoicism

Arguably, this view denotes the influence of Stoicism upon his thought. Like the Stoics, Smith insists that adherence to general rules does not obviate one's responsibility to actively consider specific context and actions (Clarke 2000: 64). Similarly, Smith's asymptotic notion of societal development may be traced to their influence upon his thought. Raphael and Macfie argue that despite the distinction between Smith's sophisticated notion of sympathy and the relatively basic Stoic notion of *sympatheia*, "it is quite likely" that the impartial spectator and sympathy are "intimately related to the Stoic outlook", as self-command "has come to permeate the whole of virtue"<sup>235</sup> (Raphael and Macfie, intro to Smith 1976 [1790], p.9). This is due to Smith's notion that "[s]elf-command is not only itself a great virtue, but from it all the other virtues seem to derive their principal lustre". Moreover, Smith's endorsement of self-love as a virtuous motive may also be linked to Stoic ideas of self-preservation, as: "[e]very man, as the Stoics used to say, is first and principally recommended to his own care" (Smith 1976 [1790], VI.ii.1.1).

Yet Smith is plainly at variance with the Stoics when he states: "[t]he plan and system which Nature has sketched out for our conduct seems altogether different from that of the Stoical Philosophy". Despite appealing to Stoic notions of personal self-control within each individual, Smith is critical of Stoic apathy (see *Ibid*, VII.i.43; III.iii.14; Vivenza 2001: 59). This is mainly because such apathy would eliminate the "selfish affections" that are needed for progress:

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<sup>235</sup> Raphael and Macfie characterise *sympatheia* as the idea that there is an organic connection between everything within the physical universe. The sharpness of the distinction between Smith's and the Stoics' concept of sympathy is perhaps reduced when one considers this passage from Part III of *TMS*: "Man, according to the Stoics, ought to regard himself...as a citizen of the world, a member of the vast commonwealth of nature...We should view ourselves...in the light in which any other citizen of the world would view us" (Smith 1976 [1790], III.3.11, cited in Raphael and Macfie, intro to Smith 1976 [1790], p.10).

By the perfect apathy which it prescribes to us, by endeavouring, not merely to moderate, but to eradicate all our private, partial, and selfish affections...it endeavours to render us altogether indifferent and unconcerned in the success or miscarriage of every thing which Nature has prescribed to us as the proper business and occupation of our lives (Smith 1976 [1790], VII.ii.1.46).

Smith's views coincide with the Stoic concept of the individual contributing to the good of the whole, yet he formulates his theory to incorporate the dynamic agency of the individual rather than a passive acceptance of one's fate, as humans are "made for action" (*Ibid*, II.iii.3.3).<sup>236</sup> Indeed, Epictetus' notion that self-interest is not necessarily harmful to society is clearly influential upon Smith's thought (Griswold 1999: 204-205). As Raphael and Macfie point out, in his survey of the history of moral philosophy in Part VII of *TMS*, Smith quotes Epictetus and Marcus Aurelius at length (Raphael and Macfie, intro to Smith 1976 [1790], p.8). It is likely therefore that Smith is referring to the Roman Stoics rather than the Ancient Stoics, when he states that:

[t]he Stoics in general seem to have admitted that there might be a degree of proficiency in those who had not advanced to perfect virtue and happiness ... The doctrine of those imperfect, but attainable virtues, seems to have constituted what we may call the practical morality of the Stoics (Smith 1976 [1790], VII.i.42).

Such flexibility is reflected in Smith's point that discernment of "the greater interest of the universe" via the rules of "strict justice" cannot generally be expected from "so imperfect a creature as man" (Smith 1976 [1790], VI.ii.3.3; VI.iii.1; VII.ii.3.18). Instead, as Wascek (1984: 594-596) points out, Smith insists that propriety and decency may be found among ordinary people, upon whose commonplace degree of understanding the concept of the impartial spectator is based.<sup>237</sup> Smith therefore

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<sup>236</sup> This view is similar to that held by William James, whose ideas are discussed in 3.1.2-3.3.5.

<sup>237</sup> Indeed, Wascek (1984: 595) highlights that questions such as "wherein does propriety consist?" relating to how everybody can achieve this, take up a large amount of space in *TMS*, whereas "...the account of perfect virtue is restricted to a few esoteric passages" therein.

rejects Ancient Stoicism in favour of the more flexible and practical Roman Stoicism of Cicero, Seneca, Epictetus, and Marcus Aurelius, by arguing that in order to gain the sympathy of one's impartial spectator, one does not need to possess the exceptional wisdom or self-command of Cato.<sup>238</sup> Rather, enactment of a "mediocre" or "inferior prudence" that ensures respect for others' rights, is sufficient (Smith 1976 [1790], I.ii.intro.2; VI.i.15; Wascek 1984: 596). Indeed, Smith refers disparagingly to Ancient Stoic notions of moral perfection,<sup>239</sup> and contrasts the "dialectical pedant" Chrysippus unfavourably to Cicero, Seneca, Brutus, and "the mild, the humane, the benevolent Antoninus" [Marcus Aurelius] for whom propriety and fitness reside within "imperfect, but attainable virtues" (Smith 1976 [1790], VII.ii.1.35; VII.ii.1.42). Such advocacy of an achievable notion of virtue is an extension of Smith's idea that "[v]irtue consists in propriety", which is the appropriate "pitch" of the given emotion (*Ibid*, V.ii.intro.1).

This relates to Smith's discussion regarding the "golden mean" of beauty, nature and appropriate action throughout Part V of *TMS*. According to Vivenza (2001: 62-64), Smith's ethical theory therefore retains Aristotelian elements insofar as the individual is fully responsible and acts autonomously. Like Smith's notion that individuals become "the impartial spectator of his own situation", Aristotle reflects that the "mean" of propriety is relative to ourselves as it relates to our superior knowledge of our own situation.<sup>240</sup> Yet, as discussed in 2.1.4, Smith's practical wisdom differs from Aristotle's *phronesis* in that Smithean prudence relates to self-approbation and not

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<sup>238</sup> This is also in contrast to Plato's dismissal of such "demotic virtue" (Griswold 1999: 13. See Smith 1976 [1790], VII.iii.1.3).

<sup>239</sup> "As all the actions of the wise man were perfect, and equally perfect; so all those of the man who had not arrived at this supreme wisdom were faulty, and, as some Stoics pretended, equally faulty...As in shooting at a mark, the man who missed it by an inch had equally missed it with him who had done so by a hundred yards" (Smith 1976 [1790], VII.ii.1.40; see also *Ibid*, VII.ii.1.21; I.ii.3.4).

<sup>240</sup> Smith 1976 (1790), III.iii.29. "*Pro hemas*" (Aristotle, *Nicomachean Ethics*, 1107a1, cited in Griswold 1999: 182).

self-perfection. Therefore, Smith's notion of a "golden mean" of appropriate action that is evaluated by the impartial spectator is not strictly analogous to that sought by Aristotle's *spoudaios*, or excellent person.<sup>241</sup>

Indeed, instead of characterising the "mean" as an objective point at which behaviour should aim, Smith is pointing out, pragmatically, that propriety differs depending on the type of passion at issue. Smith is therefore perhaps influenced more by Cicero's notion of *decorum*, in which propriety is that what is suitable for a praiseworthy person to do within the circumstances. As such, he is able to observe that: "[i]n general, the style of manners which takes place in any nation, may commonly upon the whole be said to be that which is most suitable to its situation", rather than advocate a set of normative moral standards towards which society should aim (Smith 1976 [1790], V.ii.13; I.ii.intro.2; Griswold 1999: 182-183). Instead, Smith is able to conceptualise various standards of propriety that develop gradually and unevenly, and which are obtainable by all individuals in relation to general standards and their own cultural circumstances through reflection upon their own impartial spectator.

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<sup>241</sup> Aristotle, *Nicomachean Ethics*, 1113a25-b2, cited in Griswold 1999: 182.

## 2b) Chapter Two conclusion

Despite Smith's utilisation of certain aspects of Roman Stoicism that are pertinent to his enquiry, he avoids Stoic limitations to sympathy that prevents understanding of those that are dissimilar to us. As has been discussed, the notion of extensive sympathy is crucial to Smith's theory. Therefore, against Vivienne Brown (1994: 85-95), it is plausible to argue, as Griswold does, that Smith's scheme does not "...operat[e] within a discursive space mapped out by Stoic moral philosophy" (Griswold 1999: 226, footnote 56). Rather, Smith calls Stoicism into question and modifies that which he regards as plausible within his own theoretical framework. Such adaptations are a common feature of Smith's approach in relation to the other major influences upon his work, as has been examined.

Interestingly, this process of modification is arguably analogous to his concept of sympathy itself. For Smith, this is an ongoing process of adjustment, a search for equilibrium that is similar to his conceptualisation of political and economic processes. This is reflected in his consistent restraint from positing objective moral standards. Although Smith does not explicitly discuss scepticism in his work,<sup>242</sup> he is evidently influenced by Hume's modified moral scepticism that attempts to avoid providing dogmatic theories of moral judgements that endeavour to reflect the supposed timeless quintessence of perfected "human nature". As Griswold (1999: 163-165) points out, the subsequent development of specific areas of Hume's thought enables Smith to be characterised as "self-consciously nonfoundationalist" rather than "antifoundationalist". This is an important distinction, as it reflects Smith's ability to

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<sup>242</sup> Griswold (1999: 156) notes however that "...scepticism...was alive and well in his [Smith's] time thanks in good part to Bayle, Montaigne, Shaftesbury, Berkeley, and above all Hume (whose work provoked Beattie, Kames, Oswald, and Reid, among others, to much discussion about the subject)".



inquire about the “appearances” of the world minus Hume’s digressions into epistemology. This facilitates Smith’s discounting of the limited philosophical debates about ultimate “realities”, and his focus upon philosophical reflections about everyday life (*Ibid*, 171-173). Yet, as has been discussed, Smith does make appeal to certain general human traits that are empirically observable.

In Parts I, II and III of *TMS*, Smith observes, respectively, that our moral lives are constantly conducted under the three aspects of propriety, merit, and duty, which are ideas that necessarily pertain to mutually identifiable concepts. As Griswold notes, however, these are general, though not *a priori*, ideas that are learned by the individual through social interaction, emulation and reflection upon one’s impartial spectator (*Ibid*, 190-191). Smith’s utilisation of Roman Stoic notions of achievable virtue, as developed via Hutcheson’s and Hume’s notions of personal reflection in society, allied to a historical methodology, enables conceptualisation of intersubjectively constructed, evolving and dialectical modes of individual and societal moral growth that refer to existing standards of propriety, merit, and duty within and among societies. Smith is therefore able to reflect upon the continual adaptation of moral values within an extremely broad framework of ethical standards that are historically, contextually and temporally generated, without privileging agential or structural factors.

However, there is a perceived central tension in Smith’s work relating to such factors.<sup>243</sup> This is demonstrated by Griswold’s description of the difficulties inherent in attempting to reconcile Smith’s asymptotic notion of evolving moral standards with

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<sup>243</sup> See, for example, Fleischacker (2004); Kettler (1979); Vivenza (2001); Winch (1978, 1983a). See also Haakonssen (1981; 1982), who sees a reconciliation between natural justice and history in Smith’s impartial spectator.

his view of the “natural rules of justice” that the ideal legislator recognises as “general principles which are always the same” (Smith 1976 [1790], VII.iv.37; Smith 1976 [1776], IV.ii.39). According to Griswold (1999: 257-258) this tension between Smith’s jurisprudential inclinations and his seemingly contradictory commitment to a dialectical notion of individual and societal progress is of crucial importance: “[t]o pursue questions about first principles is to seek a standpoint external to the human spectacle, and he [Smith] thinks that that is unavailable”. Therefore:

Smith could not fulfil his aspiration for a final and comprehensive philosophical system articulating the ‘general principles of law and government and of the different revolutions they have undergone in the different ages and periods of society’... [As such] Smith faced an *aporia* from which he could not free himself.<sup>244</sup>

I reject this argument. In this chapter I have attempted to evaluate the likely influences upon Smith and his development of them in order to assess his intellectual distance from his contemporaries. By contrasting his conclusions to those of the foundationalist thinkers, from the Stoics through to the Common Sense theorists, Smith’s non-foundationalism is rendered perceptible. Correspondingly, through evaluation of the areas of rationalist natural law theory and scepticism of authors such as Hobbes and Mandeville that Smith rejects, as well as the areas of Hume’s thought that Smith develops, we are able to see clearly that Smith does not subscribe to moral scepticism. In doing so, we are also able to reflect more fruitfully upon the supposed tension between Smith’s jurisprudential and non-foundational tendencies as focussed upon by Griswold.

Indeed, by suggesting that Smith implies a plurality of impartial spectators rather than one “Impartial Spectator”, I have attempted to stress the intricate nature of his balance

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<sup>244</sup> Smith 1976 (1790), VII.iv.37 cited in Griswold 1999: 257-258 (italics in original). Indeed, Griswold goes so far as to speculate that Smith’s “failed” attempt to resolve this *aporia* may have been among the unpublished manuscripts burned at Smith’s request (*Ibid*).

between structural and agential factors. For Smith, a person cannot exist outside of society (Smith 1976 [1790], III.i.3), which necessarily indicates structural factors, yet an individual's reflection upon such factors can result in a variety of standards of moral propriety. To be sure, when one considers Smith's warnings about "men of system" (*Ibid*, VI.ii.2.16-18) it is likely that he considers such variety as necessary. In light of this, it is therefore plausible that Smith employs his concept of the "ideal legislator" as an abstract ideal to which the real-life, "insidious and crafty" politician ought to be compared, rather than to posit how an actual "ideal legislator" may represent an external standpoint (Smith 1976 [1776], IV.ii.39; IV.ii.44).

Indeed, it is possible to argue that it is his appeal to a diversity of standards that ensures Smith's enduring relevance. He is clear that it is an individual's circumstance that creates the context within which their behaviour is shaped. Yet if Smith were to have located the genesis of moral standards within pure custom and fashion, his theory would only have been of contemporaneous insight, and therefore relativistic. However, by conceptualising the development of such standards as evolving unevenly within a framework of observable general standards, Smith is able to avoid positing specific normative judgements that are rooted in abstract epistemological concerns and yet are only of temporary relevance.

To be sure, Smith's flexible notion of human educability highlights his differences from the Common Sense theorists' commitment to an immutable religious standard upon which formal educational standards ought to be based. Similarly, Smith's opposition to casuistry indicates his antipathy towards utilitarian conceptualisations of specific rule-formation as considered by sceptics such as Hobbes. In contrast to such arguments, Smith's broad notion of education reflects a non-formal, lifelong process

that is learned through emulation and is therefore sensitive to contextual factors. Smith's privileging of informal education over that of formal schooling arguably demonstrates this (Smith 1976 [1790], VI.ii.1.10). As he suggests, familial structures enable the individual to identify the importance of context-specific conduct from an early age. The child therefore develops the practices of emulation and evaluation necessary for sympathetic social interaction prior to their formal instruction in the general vocational skills necessary for commercial activity. This highlights Smith's ability to conceptualise universally observed human activities, in this case a parent caring for their child,<sup>245</sup> whilst taking into account the contextual specificities in which the child, and later the adult, interacts. That this is necessitated by commercial society highlights Smith's sophisticated combination of utility and pragmatism.

For Smith, therefore, it is sympathetic ability added to basic education that will serve public utility. However, unlike the Common Sense theorists, for whom society will be served by religiously inspired moral education, Smith's philosophical system is based upon an extensive notion of sympathy that involves self-determined individual reflection upon their own and others' motivations. Proficiency in moral evaluation is therefore developed in the absence of state or sectional intervention in relation to education, as Smith describes in *TMS*. As discussed in 2.3.1, Smith envisages a similarly restricted role for government beyond that of its administrative duties in *WN*. By linking sympathetic interaction to commercial practices, he is therefore able to advocate economic improvement free from overt intervention, whilst avoiding jeremiadic warnings of the supposed dangers to moral standards that such independent interaction will bring. By implying that only the basics of education are required for such commercial activity to ease the poverty of the masses, which will in

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<sup>245</sup> "The laws of all civilized nations oblige parents to maintain their children, and children to maintain their parents, and impose upon men many other duties of beneficence" (Smith 1976 [1790], V.ii.1.8).

turn enable deeper reflection upon moral matters through more intricate forms of mutual sympathy, Smith highlights his inclination towards commutative justice.

As discussed, for Smith: we “...may often fulfil all the rules of justice by sitting still and doing nothing” (*Ibid*, II.ii.1.9). This does not, however, imply an “objective” level of “perfection” as posited by foundationalist authors such as Kames, Turnbull, Reid and Ferguson. Instead, Smith’s negative interpretation of justice reflects a flexible and realistic notion of individual moral attainment within society that is based upon respect for one another’s rights. As noted, Smith explicitly connects the material and the moral through the concept of emulation, which is based in the human desire for approbation (*Ibid*, I.iii.2.1).<sup>246</sup> As emulation necessarily implies differentiated levels of material attainment, it is conceivable that Smith’s framework also implies a plurality of spectatorial standards.

As I have attempted to argue, Smith’s impartial spectator concept is one that facilitates the countenancing of the existence of many different levels of individual attainment of harmony with their own impartial spectator. This is based on the observation that Smith does not relate morality to an *a priori*, immutable standard.

Rather, Smith’s notion of “fellow feeling” (*Ibid*, I.i.1.3) necessarily implies a variety of spectatorial standards through which differences may be mitigated via emulation.

By interpreting Smith as a non-foundationalist yet pragmatic dialectical thinker, we are therefore able to see that he *is* able to countenance the “general principles which are always the same” (Smith 1976 [1776], IV.ii.39) that “ought to run through and be the foundation of the laws of all nations” (Smith 1976 [1790], VII.ii.9) without

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<sup>246</sup> As established in 1.1.1-2, Smith notes that such a desire regarding our material status is a necessary delusion, as it prompts the desire to “better our condition” (Smith 1976 [1776], II.iii.28) and thus become involved in commercial activity.

recourse to universalistic claims regarding an ultimate standard of morality that is characteristic of much Scottish Enlightenment thought.

Indeed, as I have argued, Smith only ought to be considered as a “part of” the Scottish Enlightenment insofar as he shares similar intellectual influences. As has been discussed, his interpretation of such sources, and subsequent advances upon them, is unique. Unlike his contemporaries, Smith does not posit an objective, immutable standard by which moral behaviour ought to be evaluated and towards which society should aim. Instead, he attempts to conceptualise the best practicable society that can be achieved through individuals’ conscientious reflection upon their own impartial spectator. Such a pragmatic account is facilitated by Smith’s non-dogmatic, historical and psychological approach, which facilitates complex insights into contextual and agential factors upon the diverse and constantly developing processes that characterise individual and social moral life. As is discussed in the next chapter, this facilitates a lasting contribution to our ability to conceptualise the self in the social sciences.

### **CHAPTER THREE: TOWARDS A SMITH-JAMES FRAMEWORK OF THE SELF**

### 3a) Introduction

In his article ‘The self and its interests in classical political economy’, David Levine (1998: 41-57) identifies a lacuna in political economy:

While political economy is about the economy understood as the system of pursuit of self-interest, it lacks an explicit and well-developed concept of the self whose interests are the driving force in this system.

Whilst pointing out the “problematic” status of the self in classical political economy, Levine argues that neoclassical economics has no “...clearer concept of a self or subject than the one we find in the classical texts...”

...indeed, there is more in Smith’s *Theory of Moral Sentiments* and in Marx’s early work to guide us in thinking about the subject of economic affairs than we will find in most writings that come later.

The basis for Levine’s conflation of Smith’s and Marx’s concepts of the self is his view that for both thinkers, the conditions of commercial or capitalist society obviate individual self-determination.<sup>247</sup> Levine relates this to Marx in terms of his well-known concept of alienation, and to Smith with regard to his notion of emulation. Levine correctly identifies that for Smith, happiness does not lie in the “...restless striving to attain a higher station in life, but consists instead ‘in tranquillity and enjoyment’ within a ‘permanent situation’” (Smith 1976 [1790], III.iii.31, cited in Levine 1998: 40). Yet Levine argues that there is a tension between this aspiration and our propensity for emulation within commercial society that renders a source of tranquillity - self-determination - unachievable: “...for Smith, the pursuit of

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<sup>247</sup> “Both Smith and Marx explore the part that the subject or the self plays in economic affairs...each finds the system of wealth accumulation one that uses the subject to its end rather than facilitating the realisation of genuinely subjective ends” (Levine 1998: 57).



admiration through wealth, rather than achieving the ends of the self, takes us further from the state in which the self achieves its true end” (Levine 1998: 41).<sup>248</sup>

However, as discussed in 1.1.2, Smith does not view emulation within commercial society as being an obstacle to tranquillity or self-determination. Rather, he points out that our proclivity for emulation is a necessary “...deception which rouses and keeps in continual motion the industry of mankind” (Smith 1976 [1790], IV.i.10), which prompts the division of labour and results in increased societal wealth and interaction via commercial activity.<sup>249</sup> It is also through this process that individuals develop a deeper understanding, via mutual sympathy, of their own and others’ motives. As Smith notes:

Emulation, the anxious desire that we ourselves should excel, is originally founded in our admiration of the excellence of others. Neither can we be satisfied with being merely admired for what other people are admired. We must at least believe ourselves to be admirable for what they are admirable. But, in order to attain this satisfaction, we must become the impartial spectators of our own character and conduct (Smith 1976 [1790], III.ii.3).

Within this framework, emulation facilitates more sophisticated forms of imaginative sympathy and increases the potential for a deeper relationship with one’s impartial spectator. Such a process therefore grants the individual the potential to attain tranquillity whilst developing greater self-determination. Consequently, unlike Marx, for Smith the conditions of commercial society are conducive to self-realisation, not an obstruction to it.

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<sup>248</sup> It is this misinterpretation of Smith’s notion of emulation that leads Levine to conflate Smith and Marx: “...the activity typical of the capitalist does not suggest real self-determination, but the external determination of the self in the eyes of others and the striving to attain an alien selfhood whose attainment is always just out of reach and would in any case only assure self-alienation” (*Ibid*).

<sup>249</sup> Indeed, Smith points out that it is within such “civilised nations” in which “[p]overty may easily be avoided” that “the mind is more at liberty to unbend itself” than in “rude and barbarous” ones (Smith 1976 [1790], V.ii.8).

Therefore, Levine's (1998: 57) claim that: "...political economy in its classical version understands the system to confound individual subjective ends, subordinating them to the accumulation of wealth" does not apply to Smith's framework. As suggested, in contrast to Marx, Smith preserves agency for the self in commercial society, as individuals do not merely replicate alienating socialisation processes but can consciously achieve self-determination within it.<sup>250</sup> Despite his false conflation of Smith and Marx, however, Levine has pointed to the potential salience of an important yet often overlooked aspect of Smith's work: his concept of the self.

The need for a clearer understanding of Smith's concept of the self is rendered more pressing when one considers his increasing influence across disciplines within the social sciences, particularly in regard to his influence on seminal figures in the establishment of the disciplines of psychology and sociology.<sup>251</sup> As Kurt Danziger (1997: 144-145) points out: "...*The Theory of Moral Sentiments* introduces certain conceptualisations regarding the self whose echoes are still detectable more than two centuries later", as it is Smith's conceptualization of the self:

...that will come to dominate the emerging discourse of the social and psychological sciences in the nineteenth and twentieth centuries. William James's 'social self' (James, 1890) and Charles Horton Cooley's 'looking glass self' (Cooley, 1902) could be regarded as variations on a theme composed by Adam Smith, and there are echoes of it in George Herbert Mead's 'taking the role of the other' (Mead, 1934).

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<sup>250</sup> Smith does of course discuss "mental mutilation", but this is a comment on the mental hazards of repetitive work rather than a suggestion that it contributes directly to alienation, as it does for Marx (e.g., 1946 [1867]). Indeed, for Smith, those whose: "...labour is both so constant and so severe, that it leaves them little leisure and less inclination to apply to, or even to think of any thing else" ought to be given basic education, which would contribute to individuals' ability to critique rather than reify patterns of subordination: "[t]he more they are instructed, the less liable they are to the delusions of enthusiasm and superstition... They are more disposed to examine, and more capable of seeing through, the interested complaints of faction and sedition" (Smith 1976 [1776], V.i.f.50-61).

<sup>251</sup> See Wight 2002: 73; Fleischacker 2004: 270.

It is therefore interesting to consider that the lacuna in political economy that Levine identifies is also alluded to by Michael Lawlor in his discussion of William James.

Lawlor argues:

His [James's] psychological pragmatism embodies a view of behaviour that is in sharp contrast to the then (and now) dominant psychology of neoclassical economics, in which behaviour is often reduced to a simplistic 'economic man' represented by an unchanging utility function optimising against its environment (Lawlor 2006: 325).

This is noteworthy here since Lawlor draws a number of comparisons between James and Smith in terms of the scope, influence and philosophical emphasis in their most famous works:

William James's *Principles of Psychology* is one of the great classics of modern western thought. Like Adam Smith's *Wealth of Nations*, it encapsulates in a pregnant form most of the questions, and many of the answers, that modern psychology has pondered since its publication in 1890. Also like Smith, James's description of the basic outline of a scientific psychology is written in such a lucid and engaging style...that it stands even now among the best introductions to the subject. Also like Smith's economics, James's *Psychology* continuously reverts to philosophical issues (*Ibid*, 331).

This may be no more than an interesting comparison between two seminal thinkers. Indeed, Robert Merton emphasises the hazards of "adumbrationism", the process of: "...claiming to find a continuity of thought where it did not in fact exist or of failing to identify continuity when it did exist". As such, one must be careful:

...to distinguish between cases where there is a genuine connection to be made between ideas and their historical precursors, and those in which the specification of the precursor degenerates into what Merton refers to as 'antiquarianism'.<sup>252</sup>

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<sup>252</sup> Merton, R. K. (1967) 'On the history and systematics of sociological theory'. In *On Theoretical Sociology: Five Essays, Old and New*. New York, NY: The Free Press, pp.1-38 cited in Costelloe 1997: 82.

Merton's view appears similar to Quentin Skinner's calls for caution when attempting to interpret historical sources. According to Skinner (1969: 53): "[t]o demand from the history of thought a solution to our own immediate problems is...to commit not merely a methodological fallacy, but something like a moral error". This is a crucial point, as Levine and Lawlor propose, respectively, the insights of Smith and James relating to the self as sources of assistance in the filling of the lacuna in economics that they separately identify. As such, despite the possible similarities between their accounts of the self, any attempt to compare these thinkers must involve caution. That said, however, Skinner's position arguably ignores the second part of Merton's notion of adumbrationism: that of failing to identify continuity of thought where it may exist. In order to avoid *this* error, it is surely warranted to investigate whether a more significant connection between Smith and James exists, as both thinkers appear to represent alternative conceptualisations of the self to those currently prevalent within economics and in IPE.

James certainly read Smith. In a letter to his brother Henry, dated October 14<sup>th</sup> 1888, William James writes: "[i]t does one good to read classic books. For a month past I've done nothing else, in behalf of my ethics class - Plato, Aristotle, Adam Smith, Butler, Paley, Spinoza etc etc". As is noted by Ignas Skrupskelis and Elizabeth Berkeley, James owned a copy of the second edition of *TMS*.<sup>253</sup> This is significant for two reasons. Firstly, it is arguable that, in addition to similarities drawn by Lawlor between Smith's *WN* and James's *The Principles of Psychology*,<sup>254</sup> there are perhaps deeper connections between these thinkers than Lawlor's stylistic comparison assumes. Secondly, as the date of the letter shows, James had read Smith around one

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<sup>253</sup> Letter from William James to Henry James, 14/08/1890, in Skrupskelis and Berkeley 1993: 93. "*The Theory of Moral Sentiments*, 2d. ed. (1761), is the only work by Smith in WJ's library" (*Ibid*: 94, footnote 6).

<sup>254</sup> Hereafter referred to as *PP*.

year prior to *PP* being published. This being the case, it is at least conceivable that Smith's ideas influenced James's discussions within that work, including, potentially, his seminal chapter on "The Consciousness of Self".<sup>255</sup>

Richard Ashmore and Lee Jussim (1997: 3; 8-11) argue that this chapter "...marks the introduction of self as both a major determinant of human thought, feeling, and behaviour and as susceptible to understanding by empirical research procedures". As they explain, in this chapter, James differentiates between the "I" and "me", or self as knower and self as known, respectively. Through this framework it is possible to differentiate the self as subject, agent or process, from the self as object, content, or structure. Therefore, by utilising James's concept of the self it is possible to understand the thoughts and behaviours of individuals in terms of intersubjective self-determination that also acknowledges the differing impacts of prevailing cultural values and behavioural norms upon them. In this sense, James's concept of the self appears compatible with Smith's notion of self-determination via his impartial spectator concept.

This appears more feasible when one considers Lawlor's (2006: 334) argument that James's active, selective view of mind is a more apposite concept of self than that informed by rational choice theory, "...a view which has in recent decades become fashionable across the social sciences". As discussed in 1.2.1-3, there is considerable distance between Smith's views and those that interpret his ideas as being precursors to neoclassical economics.<sup>256</sup> As Jan Peil (1999: 41-42) explains, in contrast to such

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<sup>255</sup> This seems more plausible when one considers that James's article "The Hidden Self" was also published in 1890, suggesting that James focussed on his concept of the self during the period prior to the publishing of *PP* in the same year.

<sup>256</sup> See Smith 1976 (1776), I.x.b.45; Smith 1976 (1790), I.i.1 for examples that demonstrate the distance between the purely self-interested economic agent that underpins neoclassical economics and Smith's notion of the moral and economic motives that inform his framework of the self.

accounts: “Smith consistently attempts to understand the economy in the light of human and social value patterns”.<sup>257</sup> As I have argued, a holistic interpretation of Smith’s thought therefore reveals an intersubjective notion of individuals’ identity and morality formation. Such a view consistently informs Smith’s *oeuvre*, as it does in James’s chapter on “The Consciousness of Self”. Such a link is intriguing, as it suggests a potentially deeper intellectual connection between the two thinkers than is usually assumed. Indeed, these preliminary links suggest that there are sufficient potential intellectual sympathies between Smith and James to validate an attempt to investigate the extent of the potential compatibility between their ideas in more depth.

This is not, however, an attempt to investigate whether or not Smith influenced James. Indeed, such an effort could only result in the type of speculation that Merton and Skinner might warn against. Instead, this chapter attempts to identify the nature and extent of the connections between the two thinkers in a critical manner. To do this, in 3.1.1-4 I discuss modern concepts of the self, and consider James’s seminal theory of the self in detail in order to examine any potential inconsistencies between it and Smith’s view. In 3.2.1-2 I undertake a holistic reading of James’s output in order to evaluate his concept of the self in terms of the rest of his work, and thus determine whether any critical inconsistencies or similarities exist between James’s and Smith’s philosophical positions. Such a discussion requires an investigation of James’s pragmatism and of Smith’s earlier work. This is undertaken in 3.3.1-5.

This chapter thus aims to assess the potential compatibility of Smith’s and James’s thought in order to investigate the extent to which they can provide a philosophically consistent, alternative concept of the self to the dominant neoclassical “rational” self

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<sup>257</sup> See also Macfie 1967: 121; Shield Nicholson 1895: 13-14.

that pervades contemporary social science, including IPE. Indeed, as I discuss in Chapter Four, critical IPE authors fail to challenge this orthodox conceptualisation of the self effectively. As Watson (2005: 52-53) argues, this is because they have:

“...tended to import assumptions about fundamentally rational economic behaviour from the neoclassical tradition that they would otherwise align themselves against”.

As Smith’s and James’s non-rationalist methodologies and non-foundationalist conclusions are consistent with the ostensible aims of critical IPE, it is apparent that their insights can aid problematisation of orthodox assumptions of instrumentally rational action by providing critical IPE with an alternative framework of the self. The focus of this chapter is to therefore assess the compatibility of Smith’s and James’s thought in order to test the viability of such a suggestion. The conclusion that I reach here is that sufficient similarities exist between the two thinkers’ views and concepts of the self to render it a practicable alternative to that currently employed in IPE.

## Part One: The self and identity

### 3.1.1) The modern self

In Smith's writing, the basic outline of the modern map of the self...is just about complete. The distancing of the self from its incarnations that had been implicit in Locke becomes explicit (Danziger 1997: 145).

It is arguably possible to locate the origins of the modern concept of the self to John Locke's chapter on "Of Identity and Diversity" in the second edition of his *Essay Concerning the Human Understanding* (1694). Here, as Jerrold Seigel (2005: 89-93) explains, Locke moves beyond Rene Descartes' rationalist account by introducing the concept of a stable identity based not on the immortality of the soul, but on a continuity of consciousness of the self. Locke views individuals as being shaped by the world around them yet also as being capable of self-determination regarding their thoughts and actions, describing identity as containing an actively self-referential component:

...as far as this consciousness can be extended backwards to any past action or thought, so far reaches the identity of that person; it is the same self now it was then; and it is by the same self with this present one that now reflects on it, that that action was done (Locke 1694, II.XXVII.9).

As Kurt Danziger (1997: 141-144) points out, the implications of Locke's conception of the self were developed throughout the eighteenth century. In 1714: "...the topic of personal identity made the pages of *The Spectator*, and in the years that followed virtually all of the major figures of eighteenth century British philosophy - Berkeley, Butler, Hume, Reid - had their say on the matter". It is arguable however that Adam Smith's concept of the self reflects a more advanced understanding of identity than his contemporaries, as it explains how an individual's relationship to self-knowledge is connected to their relationship to others via imaginative sympathy. As discussed in 2.1.3, Smith develops this concept with regard to the ideas of David Hume.



Hume famously argues that: "...reason is, and ought only to be the slave of the passions" (Hume 1896 [1739], II.iii.3). Of these passions, he explains, sympathy is the most prominent in relation to self-formation as it enables individuals to understand the feelings of those around them. In this framework, sympathy is "nothing but a lively idea converted into an impression" through which we may "enter into" another person's sentiments "...with so vivid a conception as to make it our own concern; and by that means be sensible of pains and pleasures" which are not our own (*Ibid*, II.ii.9). Hume is hereby able to improve on Locke's notion that people judge others merely by outward appearances, as he argues that one can have limited access to another's "inner" life via sympathy. However, as noted in 2.1.3, Hume's understanding of sympathy as "contagion" is less sophisticated than Smith's account.

For Hume: "...a sympathy with public interest is the source of moral approbation, which attends that virtue" (*Ibid*, III.ii.2). In contrast, Smith places propriety rather than utility at the centre of moral distinctions: "[o]riginally...we approve of another man's judgment, not as something useful, but as right, as accurate, as agreeable to truth and reality". For Smith, therefore, justice does not come about through convention, but comes prior to utility (Smith 1976 [1790], II.ii.3.4; I.i.1.4). By attributing standards of propriety in part to individuals' reflection upon their impartial spectator via extensive sympathy, rather than in customary societal approbation, Smith arguably moves beyond Hume's accounts, among others. However, as Seigel (2005: 139) points out:

Adam Smith seems never explicitly to have posed the question of what the self is, or in what it consists. All the same, Smith deserves a signal place in the history of modern self-reflection. He provided a theory of how selves are formed that went significantly beyond his predecessors.

This may appear counterintuitive unless one recognises that it is an observable feature of Smith's non-dogmatic thought that a lack of the explicit advocating of a concept need not suggest a lacuna within his *oeuvre*. Indeed, despite the fact that there is no specific definition of the self in Smith's work, its importance to his scheme is made clear when one considers that self-command is at the centre of his moral theory. Indeed, Smith's moral philosophy implicitly shifts the discourse beyond debate about the nature of virtue towards an inquiry into how individuals achieve the capacity for virtuous behaviour via self-government. Smith certainly is explicit in stating that this is achieved via extensive sympathy:

The man who feels the most for the joys and sorrows of others, is best fitted for acquiring the most complete control of his own joys and sorrows. The man of the most exquisite humanity, is naturally the most capable of acquiring the highest degree of self-command (Smith 1976 [1790], III.iii.36).

As noted in 1.1.2 and 1.2.3, this is in contrast to Bernard Mandeville (1705), for whom public wealth and civic virtue are incompatible. For Mandeville, social rules - rather than individually self-determined standards of self-command that reflect and affect social norms - ensure outward displays of self-command. This leads to his famous argument that as seemingly virtuous actions are granted public approbation, it is in the vicious individual's interest to appear outwardly virtuous. As Tribe (1999: 621-622) points out, however, less attention is paid to a consequence of such a position, as Mandeville's notion that only God can judge men's true motives raises, in principle, the possibility of separating the self from social action. According to Tribe, it is this notion rather than Mandeville's social control argument that relates to Smith's concept of the impartial spectator, as such a part of the self ensures that despite our desire for social praise, tranquillity only derives from privately knowing that one is truly worthy of such praise. As Smith notes: "[w]e are pleased, not only with praise, but with having done what is praise-worthy" (Smith 1976 [1790], III.ii.5).

Therefore, unlike Mandeville and Hume, the criteria for self-evaluation in Smith's framework is not exclusively derived from social standards of virtue, but from individuals' relationships to their social environment and their impartial spectator.

As Danziger (1997: 144) points out, Smith's concept of the impartial spectator "...marks an important development in the conceptualisation of the Lockean 'punctual self'... [in which] [p]ersons no longer lived in their actions but adopted an observational, monitoring stance towards them". Smith thus moves beyond Locke by detailing how such an observational stance informs, yet does not wholly constitute, an individual's conceptualisation of moral propriety. This also reflects a deeper division from traditional connotations of sin and guilt as expressed by figures such as Thomas Reid in relation to the self.

For Reid, one class of "the animal principles of action" is that of desires: "[t]he desires I have in view, are chiefly these three, the desire of power, the desire of esteem, and the desire of knowledge". This notion of "self-esteem" may appear similar to Smith's account of praiseworthiness, however it is not comparable to Smith's intersubjective account, as Reid conflates the monitoring of one's actions with regard to "one's good on the whole" to theologically based social rules.<sup>258</sup> In Reid's scheme, deviance from such rules is considered a weakness in one's self-monitoring, and provides evidence of supposed "abnormality". This is plainly at variance with Smith's flexible notion of propriety in which "demotic" virtue is recognised as being acceptable in "so imperfect creature as man" (Smith 1976 [1790], VII.ii.3.18). In contrast to Smith, therefore, Reid discusses the self not only to describe *how* individuals act but also to prescribe how they *ought to* act. Reid's focus on theologically generated rule-based "self-esteem" aimed at homogenising moral

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<sup>258</sup> Reid 1969 (1788) *Essays on the Active Powers of Man*, p.128 cited in Spilka et al (1985), p.5 footnote 2; Reid 1969 (1788) p.238 cited in Danziger 1997: 145.

standards does not therefore compare favourably with the self-determining implications of Smith's concept of the self.

In further contrast to Reid, Smith's focus on self-worth via emulation does not lead to homogenised patterns of behaviour. Rather, as discussed in 1.1.2, for Smith, emulation leads to increased commercial activity, which facilitates increased social interaction and greater specialisation via the division of labour. This prompts material progress within society, which increases individuals' abilities to reflect more extensively on their own and others' motives and behaviour in the absence of simulated virtue or prescriptive religious values, as: "[t]he opinion which we entertain of our own character depends entirely on our judgments concerning our past conduct" (*Ibid*, III.iv.4). In this way, Smith's self may be seen to deliver Locke's account of the self-determined individual to the modern period.

### 3.1.2) Smith, James and the self

Danziger (1997: 141) echoes Seigel in noting that Locke's discussion of personal identity in secular terms had shaped English-language discussions of the self "...for at least two centuries. In 1890 William James still refers to the 'uproar' caused by Locke's views".<sup>259</sup> Indeed, James could arguably lay claim to being as influential on subsequent discussions of the self as Locke and Smith had earlier. In 1890, James's *Principles of Psychology* was published, and in 1892, its one-volume version, *Psychology: Briefer Course*, emerged, largely shaping the new academic discipline of psychology.<sup>260</sup> In the chapter 'The Consciousness of Self' in *PP*, James separates the self into the "I" and the "Empirical Self or Me", and divides the "me" into three constituent parts: "the material Self, the social Self, and the spiritual Self" (James 1981 [1890]: 292).<sup>261</sup> Deborah Coon argues that it is in James's depiction of the material and social selves that "...one of the more profound shifts in Western culture's transformation of the religious soul into the secular self" occurs, as, unlike traditional accounts of the soul whose commitment was to God, "...the secularised self owed its allegiance to material possessions and other humans" (Coon 2000: 90).

Unlike his contemporaries in neoclassical economics and experimental psychology, James's discussion of the self in secular terms does not entail a rejection of "moral" or philosophical accounts. On the contrary, James consistently refers to these issues throughout his work. As such, he is aware that the "scientific" locating of selfhood in

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<sup>259</sup> The section to which Danziger is referring is James 1981 (1890): 349, in which James states: "Locke caused an uproar when he said that the unity of *consciousness* made a man the same *person*, whether supported by the same *substance* or no, and that God would not, in the great day, make a person answer for what he remembered nothing of" [italics in original].

<sup>260</sup> Deborah Coon (2000: 88) notes that these books "...were the most influential psychology texts in the United States for the next few decades".

<sup>261</sup> James's division of the self into "I" and "me" is in direct contrast to traditional accounts of identity relating to an indivisible soul, and is therefore a development of the empiricist conceptualisation of the self as a divided entity (Danziger 1997: 147-148; See also Seigel 2005: 5).

remembered biography is a revival of the Lockean definition of the self in terms of the continuity of conscious memory. Indeed, in his summary of historical approaches to the self in *PP*, James states, Locke:

...made his readers feel that the *important* unity of the Self was its verifiable and felt unity, and that a metaphysical or absolute unity would be insignificant, so long as a *consciousness* of diversity might be there (James 1981 [1890]: 351 [italics in original]).<sup>262</sup>

As Haakonssen (1996: 53) explains, despite locating the core of personality in self-consciousness rather than in a soul-like substance, Locke posits the existence of “an eternal, most powerful, and most knowing Being”. Unlike James, Locke thus implies a traditional notion of God in his idea of the verifiable self. However, Locke does not derive a moral universalism from this, as he is aware that what constitutes “happiness or misery” is dependent upon locally accepted moral standards:

Hence naturally flows the great variety of Opinions, concerning Moral Rules, which are to be found amongst Men, according to the different sorts of Happiness, they have a prospect of, or propose to themselves.<sup>263</sup>

It is arguably this aspect of the Lockean Self that James retains when he notes that: “...minds inhabit environments which act on them and on which they in turn react” (James 1981 [1890]: 6). To be sure, James brings to the new discipline of psychology the empiricist understanding that individuals develop a variety of moral standards of self-evaluation from those with whom they interact on a daily basis. This approach was first developed by Adam Smith (Danziger 1997: 144).

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<sup>262</sup> For Locke: “[s]elf is that conscious thinking thing, - whatever substance made up of, (whether spiritual or material, simple or compounded, it matters not) - which is sensible or conscious of pleasure and pain, capable of happiness or misery, and so is concerned for itself, as far as that consciousness extends” (Locke 1996 [1694], II.XXVII.17).

<sup>263</sup> Locke 1996 (1694), IV.XX.6; I.III.6 cited in Haakonssen 1996: 53.

As discussed in 2.1.3, Smith rejects Hutcheson's notion of the moral sense, which Hutcheson employs as a denial of Locke's relational concept of morality. As also noted, Hume develops Hutcheson's concept of a moral sense, yet denies that it relates to God's will. Rather, for Hume, individuals internalise a "social will" through which standards of morality are upheld via social approbation and non-approbation. As argued in 2.3.2, Smith's impartial spectator concept surpasses both of these accounts, as it explains that propriety arises for the individual due to internal reflection upon the "authority of the judge within the breast" rather than through social convention or theological rules.<sup>264</sup>

Like Smith, James's "secularisation" of the self does not exclude the possibility of spiritual reflection, but employs a less orthodox interpretation of the individual's relationship to God. As Deborah Coon (2000: 96) points out, for James:

...what God boiled down to was a very human conception of "the highest possible judging companion". God could be thought of as merely an abstract and most ideal "other" about whose opinion we cared. All humans had this notion of an ideal "other" to greater and lesser degrees. Our desire to please this ideal "other", a desire that varied among individuals as much as other types of sociability varied, determined how religious we were. Our moral behaviour, in turn, was partly shaped by our desire to gain approval from our peers and partly shaped by our desire to gain approval from this ideal companion we held in our imaginations.

Such a conceptualisation suggests a significant connection between James and Smith, as both thinkers expand the notion of religiosity beyond any specific theological boundaries, and place emphasis upon emulation, reflection and imagination in regard to the establishment of individuals' moral standards. Moreover, by following Locke in refusing to draw relativist conclusions in relation to such standards, James presents an intersubjective notion of identity that is seemingly consistent with Smith's view

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<sup>264</sup> Haakonssen 1990: 70-72; Haakonssen 1996: 109; Smith 1976 (1790), VI.iii.19.

(Putnam 1997: 182; Baumeister 1997: 191). Further, by countenancing an “ideal companion”, and varied levels of individual communion with such an imagined entity, James’s framework is also seemingly compatible with Smith’s conceptualisation of a multiplicity of impartial spectators in which ordinary virtue is attainable in the absence of religious rules.

In *PP*, James argues that: “...a man has as many social selves as there are individuals who recognize him and carry an image of him in their mind”(James 1981 [1890]: 294).<sup>265</sup> This notion of “alternate selves” reflects a temporal and social understanding of identity insofar as individuals actively emphasise different aspects of their self according to which roles they choose to inhabit at different times. Importantly, as this process is an active one, James does not collapse the distinction between self and society, or between self as knower and self as known. This is arguably similar to Smith’s flexible notion of habitual sympathy with one’s impartial spectator, in which an individual’s private interpretation of the appropriateness of potential actions are affected by wider social norms, and are more or less salient at different times (*Ibid*, 316; Smith 1976 [1790], VI.II.i.7-8). Like James, Smith thus preserves moral agency for individuals via active reflection upon and identification with the standpoint of their impartial spectator. As Griswold (2006: 41) points out, this maintains space for self-determination insofar as “one can direct one’s actions and shape one’s character”. Indeed, Smith states that if we are in accord with our impartial spectator:

[w]e shall stand in need of no casuistic rules to direct our conduct. These it is often impossible to accommodate to all the different shades and gradations of circumstance, character, and situation, to differences and distinctions which, though not imperceptible, are, by their nicety and delicacy, often altogether undefinable (Smith 1976 [1790], VI.ii.1.22).

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<sup>265</sup> As Danziger (1997: 147) points out, James’s view is reflected in contemporary discoveries on multiple personality.



Like James, Smith therefore seemingly retains the distinction between object and subject whilst employing a Lockean notion of a multidimensional self that is intersubjectively formed but not reducible to such factors. As he points out, the mature individual:

...does not merely affect the sentiments of the impartial spectator. He really adopts them. He *almost* identifies himself with, he *almost* becomes himself that impartial spectator, and scarce even feels but as that great arbiter of his conduct directs him to feel (*Ibid*, III.iii.25 [my emphasis]).

As it is with the impartial spectator that the individual communes, the “man within the breast” is therefore conceived by Smith as a part of, and not wholly constitutive of, the self, as this process is actively selected and attained by the individual. As such, he does not equate the self with the impartial spectator. As Alexander Broadie (2006: 180) points out: “[t]he impartial spectator cannot simply be a repository of social opinion, nor is it possible to reduce the judgment of the impartial spectator to the judgment of society”. This is consistent with Lawlor’s reading of James, for whom: “[i]ndividual lives...are complex mixes of self-interest, different habits and roles, all the while defined and constrained by the rules of the institutions they represent, but not completely determined by them...” (Lawlor 2006: 342).

For Smith, self-interest is “that general principle which regulates the actions of every man...” However, as discussed, his self-interested individual is not analogous to the “rational man” of neoclassical economics (Smith 1978, *LJ [B]*, 327; see Watson 2005: 170). Smith’s notion that “[e]very man, as the Stoics used to say, is first and principally recommended to his own care” (Smith 1976 [1790], VI.ii.1.1) is thus understood more clearly when one considers that, in his framework, excessive self-love will be restrained by each individual’s relationship to societal standards of propriety via their impartial spectator. Again, this is consistent with Lawlor’s reading

of James, for whom “rational man is not constantly computing his advantage” (Lawlor 2006: 342-343; Ashmore and Jussim 1997: 8). James therefore appears to be consistent with Smith by conceiving of identity as being influenced, but not wholly constituted by, a combination of habit and self-interest within the prevailing culturally accepted interpersonal processes that have developed over time.

These connections are significant for three reasons. Firstly, as Ashmore and Jussim (1997: 11-12) note, the subject of the self is of growing interest within the social sciences, as scholars increasingly seek to make sense of the “...thoughts, feelings, and behaviours of individuals...and the study of group and intergroup processes and relations”. However, as Watson (2005: 52-53) points out, the pervasive view of the self within contemporary social science discourse is that of orthodox economics, despite its simplistic assumptions regarding human motivation and behaviour. As such, a more thorough conceptualization of the self is required. Secondly, James’s thought is a seminal influence upon, and is increasingly influential within, modern psychological, philosophical and sociological debates - a status shared by Smith. Moreover, both thinkers demonstrate sophisticated and compatible understandings of the self. Thirdly, it is plausible that a concept of the self that combines their insights can provide a philosophically consistent and sufficiently nuanced conceptualisation of the self that is arguably currently absent from orthodox and critical accounts in IPE. My inquiry as to whether such a concept of the self can be established will depend upon the extent to which connections exist between Smith and James beyond those already discussed. In order to do this, it is first necessary to discuss James’s concept of the self in greater detail. This is the subject of the next section.

### 3.1.3) James's self

...no single piece has had as much influence on the psychological study of the self as "The Consciousness of Self" (Suls and Marco 1990: 695).

In this chapter in *PP* James divides "*the constituents of the Self*" into the "I" - "the bare principle of personal Unity" - and the "me", which he separates into three parts: the material Self, the social Self and the spiritual Self (James 1981 [1890]: 292; 296 [italics in original]). As he explains:

[t]his me is an empirical aggregate of things objectively known. The *I* which knows them cannot itself be an aggregate, neither for psychological purposes need it be considered to be an unchanging metaphysical entity like the Soul, or a principle like the pure Ego, viewed as 'out of time.' It is a *Thought*, at each moment different from that of the last moment, but *appropriative* of the latter, together with all that the latter called its own (*Ibid*, 371 [italics in original]).

For James, the "I" is therefore "a passing subjective Thought" that is conscious of the "me", the "objective person, known by and recognized as continuing in time". In this conceptualisation of the self, this "I" remembers and "cares" for certain experiences and intimately known objects and acquaintances that make up an individual's empirical "me". James locates the "nucleus" of this "me" in:

...the bodily existence felt to be present at the time. Whatever remembered-past-feelings *resemble* this present feeling are deemed to belong to the same *me* with it. Whatever other things are perceived to be *associated* with this feeling are deemed to form part of that me's *experience*...(*Ibid*, 400-401 [italics in original]).

James lists these "other things" that form "the *constituents* of the me in a larger sense" as "...the clothes, the material possessions, the friends, the honours and esteem which the person receives or may receive". James explains, therefore, that: "[n]ot only the people but the places and things I know enlarge my Self in a sort of metaphoric social

way”<sup>266</sup> (*Ibid*, 308 [italics in original]). He thus relates the “material Self” to the second part of the “me” - “the social Self”- which he defines as the recognition that each individual “gets from his mates”. Indeed, James notes the innate desire in humans to be noticed favourably, which involves another propensity - the desire to “improve”:

We all have a blind impulse to watch over our body, to deck it with clothing of an ornamental sort, to cherish parents, wife and babes, and to find for ourselves a home of our own which we may live in and “improve”.

No more fiendish punishment could be devised, were such a thing physically possible, than that one should be turned loose in society and remain absolutely unnoticed by all members thereof (*Ibid*, 293; 281).

This is reflected in his *Talks To Teachers on Psychology*:

Emulation is the very nerve of human society...We wish not to be lonely or eccentric, and we wish not to be cut off from our share in things which to our neighbours seem desirable possessions (James 1899: 325).

Such connections between the material and social selves appear to bear a strong resemblance to Smith’s observations of human propensities in *WN* and *TMS*:

...the principle which prompts to save, is the desire of bettering our condition, a desire which, though generally calm and dispassionate, comes with us from the womb, and never leaves us till we go into the grave (Smith 1976 [1776], II.iii.28).

Nothing is so mortifying as to be obliged to expose our distress to the view of the public, and to feel, that though our situation is open to the eyes of all mankind, no mortal conceives for us the half of what we suffer (Smith 1976 [1790], I.iii.2.1).

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<sup>266</sup> James is prescient in observing that: “[t]he noteworthy thing about the desire to be “recognized” by others is that its strength has so little to do with the worth of the recognition computed in sensational or rational terms... there is a whole race of beings to-day whose passion is to keep their names in the newspapers, no matter under what heading...” (*Ibid*, 308).

Emulation, the anxious desire that we ourselves should excel, is originally founded in our admiration of the excellence of others...in order to attain this satisfaction, we must become the impartial spectators of our own character and conduct (*Ibid*, III.ii.3).

Moreover, James appears to be sympathetic to such a view of the interpersonal formation of moral standards, as he cites Adolf Horwicz:

...having constantly to pass judgment on my associates, I come ere long to see, as Herr Horwicz says, my own lusts in the mirror of the lusts of others, and to *think* about them in a very different way from that in which I simply *feel* (James 1981 [1890]: 314 [italics in original]).

This is reminiscent of Smith's famous point that an individual "brought into" society is provided with a "mirror" that grants objectivity on "the propriety or demerit of his own sentiments and conduct" (Smith 1976 [1790], III.i.3). Again like Smith, James seemingly connects material and moral improvement whilst implicitly identifying the latter as the more likely source of obtaining happiness:

We take a purer self-satisfaction when we think of our ability to argue and discriminate, of our moral sensibility and conscience, of our indomitable will, than when we survey any of our other possessions (James 1981 [1890]: 296).

This is consistent with Smith's notion of the wise man, whose:

...self-approbation...stands in need of no confirmation from the approbation of other men...This self-approbation, if not the only, is at least the principal object, about which he can or ought to be anxious. The love of it, is the love of virtue (Smith 1976 [1790], III.ii.8).

As discussed, Smith acknowledges the importance of social factors in identity formation, yet maintains agency for the individual. This is reflected in his "second" level of spectatorship, in which personal reflection upon one's own impartial spectator occurs, as opposed to the more simplistic, prior stage of spectatorship, that of the

observation of others.<sup>267</sup> As Griswold (1999: 107) points out, in this way: “Smith’s account of sociality does not destroy any notion of the ‘inner life’”. Similarly, James’s social understanding of identity formation involves a conceptualisation of individuals as having an active inner life: “[t]he more *active-feeling* states of consciousness are...the more central portions of the spiritual Me” (James 1992 [1892]: 181 cited in Barresi 2002: 241).

James therefore connects the “material Self” and “social Self” to the “spiritual Self”, yet identifies this latter aspect as the individual’s core, their “self of selves” which is “...the most enduring and intimate part of the self, that which we most verily seem to be” (James 1981 [1890]: 297). Both James and Smith thus appear to identify an analytically distinct part of the self with which the individual is involved in an active reflective process, yet conceptualise this part as being connected to the wider self and context in which such self-evaluation takes place. Like Smith’s “man within the breast” (Smith 1976 [1790], VI.ii.1.22), James’s notion of the self therefore moves beyond traditional notions of any spiritual part of the self as an indivisible, substantial “soul” whilst also avoiding an over-socialisation of any such “inner self”.

Again like Smith, James relates active reflection on others’ motives to one’s own moral progress, as the deliberate reflection on a chosen action enables an individual to behave morally. Indeed, it is in his discussion of this active “*spiritual self-seeking*” that James makes his famous equation that “self-esteem = Success/Pretensions”, where he argues: “the seeker of his truest, strongest, deepest self” must “pick out” one

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<sup>267</sup> As Raphael and Macfie highlight: “[t]he judgment of the real spectator depends on the desire for actual praise, that of the imagined impartial spectator on the desire for praiseworthiness” (Raphael and Macfie, intro to Smith 1976 [1790], p.20). This relates directly to Smith’s point, new to the sixth edition of *TMS*, that: “...the jurisdictions of those two tribunals are founded upon principles which, though in some respects resembling and akin, are, however, in reality different and distinct” (Smith 1976 [1790], III.ii.32).

of their possible empirical selves upon which to stake their “salvation”, as “...our self-feeling in this world depends entirely on what we *back* ourselves to be and do” (James 1981 [1890]: 309-310 [italics in original]; Coon 2000: 94).

This is in contrast to the passive “Stoic receipt for contentment [which] was to dispossess yourself in advance of all that was out of your own power” (James 1981 [1890]: 312). James’s view is arguably shared by Smith, who notes that Stoic philosophy’s “perfect apathy...endeavours to render us altogether indifferent and unconcerned in the success or miscarriage of every thing which Nature has prescribed to us as the proper business and occupation of our lives” (Smith 1976 [1790], VII.ii.1.46). Similarly, James notes the prevalence of “narrow and unsympathetic characters” that attempt, in the “Stoic fashion”, to protect the Self “by exclusion and denial”:

All narrow people *intrench* their Me, they *retract* it, - from the region of what they cannot securely possess...Sympathetic people, on the contrary, proceed by the entirely opposite way of expansion and inclusion... (James 1981 [1890]: 312 [italics in original]).<sup>268</sup>

James’s notion that an individual may choose to “back” one of their “different selves” therefore relates to his hierarchical scale of an individual’s self-regard that places “*the bodily Self at the bottom, the spiritual Self at the top, and the extracorporeal material selves and the various social selves between*” (*Ibid* [italics in original]). Interestingly, although Smith refrains from explicitly separating the self into these parts, James’s hierarchy appears similar to the subject matter and order in which they are discussed in the chapter ‘Of the Influence and Authority of Conscience’ in *TMS*, in which Smith considers the varied abilities that individuals may have in responding sympathetically

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<sup>268</sup> James notes that: “...we must care more for our honour, our friends, our human ties, than for a sound skin or wealth. And the spiritual self is so supremely precious that, rather than lose it, a man ought to be willing to give up friends and good fame, and property, and life itself...” (*Ibid*, 315).

to others' bodily, social, and spiritual "misfortunes" (Smith 1976 [1790], III.iii.1-19).<sup>269</sup>

In this chapter, Smith notes that: "...the testimony of the supposed impartial spectator, of the great inmate of the breast, cannot always alone support him". He therefore acknowledges that individuals can have "...very little fellow-feeling with any of the passions which take their origin from the body". He also notes that: "[t]he mere want of fortune, mere poverty, excites little compassion. Its complaints are too apt to be the objects rather of contempt than of fellow-feeling..." (*Ibid*, III.iii.1; III.iii.17-18; see also *Ibid*, I.ii.I.5). This appears to bear comparison to James's discussion of the material and social Selves, in which he states: "[w]ith another man's bodily 'hoggishness' hardly anyone has any sympathy; - almost as little with his cupidity, his social vanity and eagerness, his jealousy, his despotism, and his pride". For James, such "narrow people" are "devoid of any inward looking glance" and thus identify more closely with their material and social Selves than their spiritual Self (James 1981 [1890]: 314; 319). Again, this appears to reflect Smith's observation that: "[t]he propriety of our moral sentiments is never so apt to be corrupted, as when the indulgent and partial spectator is at hand, while the indifferent and impartial one is at a great distance" (Smith 1976 [1790], III.iii.41).

However, both thinkers consider extensive sympathy to be possible. Smith argues that the "authority" of the supposed impartial spectator:

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<sup>269</sup> Smith distinguishes here between the "weak man", the "man of a little more firmness" and "man of real constancy and firmness" (*Ibid*, III.iii.23-25). Smith also employs a tripartite scheme in *LJ*, where he notes: "[t]he end of justice is to secure from injury. A man may be injured in several respects: 1<sup>st</sup> as a man, 2<sup>nd</sup> as a member of a family, 3<sup>rd</sup> as a member of a state. As a man, he may be injured in his body, reputation, or estate..." (Smith 1978, *LJ [B]*, 6).



...is, upon all occasions, very great; and it is only by consulting this judge within, that we can ever see what relates to ourselves in its proper shape and dimensions; or that we can ever make any proper comparison between our own interests and those of other people (*Ibid*, III.iii.1).

Smith thus places primary emphasis on the authority of the individual's "higher tribunal", their "...supposed impartial and well-informed spectator...the man within the breast, the great judge and arbiter of their conduct" which, he argues, "...exists in the mind of every man" (*Ibid*, III.iii.32; IV.iii.25). This view is arguably echoed by James's hierarchy, in which the spiritual Self is conceived of as:

...the true, the intimate, the ultimate, the permanent Me which I seek... All progress in the social Self is the substitution of higher tribunals for lower; this ideal tribunal is the highest; and most men, either continually or occasionally, carry a reference to it in their breast (James 1981 [1890]: 316).

Despite such hierarchies, there is no rationalistic separation of the "spiritual" from the "material" or "social" elements that inform an individual's identity in either thinker's conceptualisation of the self. For Smith: "...this demigod within the breast appears, like the demigods of the poets, though partly of immortal, yet partly too of mortal extraction" (Smith 1976 [1790], III.ii.32; see also *Ibid*, III.iii.38). James also blurs the boundaries between the material, spiritual and social Selves. As Coon (2000: 95) points out, for James the "potential social self" is "the most interesting" of the various selves one may choose due to "its connection with our moral and religious life". This is because it is this "potential social self" that can attain the approval of "the 'Great Companion'".

The ideal social self which I thus seek... may be represented as barely possible... Yet still the emotion that beckons me on is indubitably the pursuit of an ideal social self, of a self that is at least *worthy* of approving recognition by the highest *possible* judging companion, if such companion there be. This self is the true, the intimate, the ultimate, the permanent Me that I seek (James 1981 [1890]: 315-316 [*italics in original*]).

James argues that such a notion of the ideal social self allows the individual to be “inwardly strengthened” and so pursue this potential self in the face of immediate familial and societal disapproval “...whose verdict goes against me now” (*Ibid*, 315). This is reminiscent of Smith’s observation that in order to attain the satisfaction of being truly admirable “...we must become the impartial spectators of our own character and conduct”, which is, he notes, a gradual process (Smith 1976 [1790], III.ii.3; VI.iii.25).<sup>270</sup> It is therefore possible, as Griswold (1999: 107) points out, for Smith’s individual to become “morally governed in such a way as to be quite at odds with the community”:

The man who is conscious to himself that he has exactly observed those measures of conduct which experience informs him are generally agreeable, reflects with satisfaction on the propriety of his own behaviour...and though mankind should never be acquainted with what he has done, he regards himself, not so much according to the light in which they actually regard him, as according to that in which they would regard him if they were better informed (Smith 1976 [1790], III.ii.5).

A theme of self-determination therefore pervades both thinkers’ concepts of individuals’ moral lives. Indeed, James acknowledges that individuals are subject to “the moral education of the race” but notes that “this is not the only way in which we learn to subordinate our lower selves to our higher” (James 1981 [1890]: 314).<sup>271</sup> This appears to challenge traditional notions that only God can know publicly unrecognized virtue, which echoes the opinion expressed in Smith’s discussion of education in Part VI of *TMS*, in which he states: “[w]e shall stand in need of no casuistic rules to direct our conduct” (Smith 1976 [1790], VI.ii.1.22; see also *Ibid*, VI.ii.1.10). For both James and Smith, therefore, self-determined moral improvement

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<sup>270</sup> This also relates to Smith’s point that the virtuous individual is someone that is as morally rigorous as they are able to be (see *Ibid*, I.iv.7).

<sup>271</sup> Interestingly, this distinction between “lower” and “higher” selves is perhaps echoed in Jevons’ separation of “lower” and “higher” motives in society. Unlike James and Smith, however, for Jevons, such “higher” motives are unsuitable for “scientific” discussion (Jevons 1970 [1871] p.93; 78 cited in Watson 2005: 53-54).

may come about via self-reflection that is cognizant of, but not wholly constituted by, social factors. As such, they can account for varied levels of concord among individuals with their “ideal” selves. James notes that: “...it is probable that individuals differ a good deal in the degree in which they are haunted by this sense of an ideal spectator” (James 1981 [1890]: 316). This is consistent with Smith’s notion of a multiplicity of impartial spectators. As Broadie (2006: 182) points out: “...there are many impartial spectators because each person creates their own”.<sup>272</sup>

Active reflection upon one’s own “ideal self” is therefore a theme in both Smith’s and James’s work. As James notes: “[w]hen we *think of ourselves as thinkers*, all the other ingredients of Me seem relatively external possessions” (James 1992 [1892]: 181 [italics in original]).<sup>273</sup> This relates to his agreement with Horwicz, who points out that our “possessions and performances” are dear to us due to their being vividly “felt”.<sup>274</sup> Horwicz also notes however that there is another “faculty of abstraction” within individuals - that of the “power of vividly representing the affairs of others”. According to Horwicz and James, it is therefore possible to intellectually assess things connected to the empirical self without bias. This is also feasible in relation to others:

...there is no reason why a man should not pass judgment on himself quite as objectively and well as on anyone else...No matter how he feels about himself, unduly elated or unduly depressed, he may still truly know his own worth by measuring it by the outward standard he applies to other men (James 1981 [1890]: 327-328).

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<sup>272</sup> Smith 1976 (1790), III.iii.38; III.iii.21. See also 2.4.2.

<sup>273</sup> As Gale (1997: 65) points out: “...introspection is accorded pride of place in James’s existentially oriented philosophy”.

<sup>274</sup> James also concurs with Horwicz’s pointing out of the human tendency to feel “...how much more intelligent, soulful, better is everything about us than anyone else” (James 1981 [1890]: 326). This is not dissimilar to Smith’s observation that “[i]t is so disagreeable to think ill of ourselves, that we often purposely turn away our view from those circumstances which might render that judgment unfavourable” (Smith 1976 [1790], III.iv.4).

For James, therefore, impartial self-reflection is obtainable via consideration of the interests of others. (Rogers 1997: 176) This is, again, similar to Smith's notion of impartial spectatorship:

In solitude, we are apt to feel too strongly whatever relates to ourselves...we are apt to be too much elated by our own good, and too much dejected by our own bad fortune...and it is always from that spectator, from whom we can expect the least sympathy and indulgence, that we are likely to learn the most complete lesson of self-command (Smith 1976 [1790], III.iii.38; see also *Ibid*, III.ii.2.1).

However, James next states:

This self-measuring process has nothing to do with the instinctive self-regard we have hitherto been dealing with. Being merely one application of intellectual comparison, it need no longer detain us here (James 1981 [1890]: 328).

This abrupt end to the discussion is a potential source of frustration for more detailed attempts concerned with comparing Smith and James's concepts of the self. Yet despite James's reluctance to continue his discussion of "self-measuring", the influences on such a process appear to remain similar for both thinkers. This is demonstrated in the table that James employs to summarise the division of "The empirical life of Self".<sup>275</sup>

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<sup>275</sup> James 1981 (1890): 329. Table from <http://psychclassics.asu.edu/James/Principles/prin10.htm>

	<b>Material.</b>	<b>Social.</b>	<b>Spiritual.</b>
<b>Self-Seeking.</b>	Bodily Appetites and Instincts Love of Adornment, Foppery, Acquisitiveness, Constructiveness Love of Home, etc.	Desire to please, be noticed, admired, etc. Sociability, Emulation, Envy, Love, Pursuit of Honor, Ambition, etc.	Intellectual, Moral and Religious Aspiration, Conscientiousness
<b>Self-Estimation</b>	Personal Vanity, Modesty, etc. Pride of Wealth, Fear of Poverty	Social and Family Pride, Vainglory, Snobbery, Humility, Shame, etc.	Sense of Moral or Mental Superiority, Purity, etc. Sense of Inferiority or of Guilt

The contents of the Material and Social Self-Seeking and Self-Estimation categories are strikingly similar to Smith's explanations of self-love in *TMS* Part I, Section Three.<sup>276</sup> In addition, the Spiritual Self-Seeking and Spiritual Self-Estimation categories may be seen to broadly echo Smith's impartial spectator concept. It is perhaps important to note here however, that, despite investigating the potential similarities between Smith's and James's accounts of the self, it is not my intention to suggest that James merely reaffirms Smith's thought. On the contrary, the specific focus of each thinker is of course different. However, my analysis of the potential compatibility between their concepts of the self is intended to establish whether their thought in this area is sufficiently complimentary to underpin a framework for the self that may be of use to critical IPE analysis.

It is therefore important to continue to engage in a comparison of their broader arguments to see if there are any inconsistencies in their seemingly compatible

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<sup>276</sup> Particularly in Chapter II: "Of the Origin of Ambition, and of the Distinction of Ranks"; and Chapter III: "Of the Corruption of Our Moral Sentiments, Which is Occasioned By This Disposition to Admire the Rich and Great, and to Despise or Neglect Persons of Poor and Mean Condition", respectively.

concepts of the self. As has been noted, although it is possible to deduce Smith's stance via a holistic interpretation of his *oeuvre*, his epistemology is not explicit. By contrast, James's position is clearly evident in the next part of his discussion of the self. Having examined "What Self is Loved in 'Self-Love'", James focuses on the problem of personal identity, which he describes as: "...the most puzzling puzzle with which psychology has to deal". Having discussed the three components of the empirical Me, James next considers substantialist, associationist, and transcendentalist attempts to explain how these facets might be unified (James 1981 [1890]: 330).

#### 3.1.4) The problem of identity

In contrast to the Common Sense theorists, James denies that the phenomena of personal consciousness requires a “real proprietor” in the form of a unified, substantial soul that somehow exists within each individual. He instead argues that personal consciousness is “...the real, present onlooking, remembering, ‘judging thought’ or identifying ‘section’ of the stream”. Unity is provided by these contiguous “pulse[s] of cognitive consciousness”, as: “[w]ho owns the last self owns the self before the last, for what possesses the possessor possesses the possessed” (*Ibid*, 337-340). For James, therefore: “...the passing Thought itself is the only *verifiable* thinker, and its empirical connection with the brain-process is the ultimate known law”. Thus, he argues, the substantialist view of the soul that was developed from Plato and Aristotle, was formalised in the work of Hobbes through to Berkeley, “...and is defended by the entire modern dualistic or spiritualistic or common-sense school” is: “...*needless for expressing the actual subjective phenomena of consciousness as they appear*” (*Ibid*, 344-346 [italics in original]).<sup>277</sup>

Next, James discusses the Associationist Theory, the origins of which he locates in Locke’s notion “...of the same consciousness being supported by more than one substance”. James attributes the development of this theory to Hume, and cites his chapter on “Personal Identity” in *A Treatise on Human Nature*, in which Hume apparently denies the existence of a continuous self, as evidence of this.<sup>278</sup> James argues that although Hume “...showed how great the consciousness of diversity

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<sup>277</sup> As discussed in 2.2.1-4 and 2.3.1, Smith’s position is also at odds with the Common Sense theory of authors such as Thomas Reid. A more detailed comparison of James and Reid is drawn in 3.3.5.

<sup>278</sup> Hume, D. (1739) *A Treatise of Human Nature*, Appendix to book I, cited in James 1981 (1890): 351.

actually was”, his extreme position is no more helpful than that of the substantialist philosophers:

[a]s they say the Self is nothing but Unity, unity abstract and absolute, so Hume says it is nothing but Diversity, diversity abstract and absolute; whereas in truth it is that mixture of unity and diversity which we ourselves have already found so easy to pick apart... (*Ibid*, 350-351).

James next dismisses Immanuel Kant’s Transcendentalist Theory for neglecting to provide a vehicle for knowing: “[c]all the vehicle Ego, or call it Thought, Psychosis, Soul, Intelligence, Consciousness, Mind, Reason, Feeling, - what you like - it must *know*...” According to James, therefore, Kant’s concept of a transcendental Ego “...has no properties” and moreover “...has its meaning ambiguously mixed up with that of the substantial soul” (*Ibid*, 364 [italics in original]).<sup>279</sup> As discussed, James privileges the spiritual Self in his hierarchy within the empirical “me”. Yet, as he emphasises, the “I”, or “*self of all the other selves*”, does not contain purely spiritual connotations. Indeed, James notes that when he examines the process of introspection in detail: “...it is difficult for me to detect in the activity any purely spiritual element at all...” (*Ibid*, 298-300 [italics in original]). James concludes, therefore, that:

...the part of the innermost Self which is most vividly felt turns out to consist for the most part of a collection of cephalic movements of ‘adjustments’ which, for want of attention and reflection, usually fail to be perceived and classed as what they are; that over and above these there is an obscurer feeling of something more; but whether it be of fainter physiological processes, or of nothing objective at all, but rather of subjectivity as such, of thought become ‘its own object’ must at present remain an open question (*Ibid*, 305).

In spite of this pragmatic conclusion, Jill Kress argues that James loads his notion of consciousness with spiritual connotations. Kress points to James’s abstraction of a

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<sup>279</sup> Smith once refers to the viewpoint of the impartial spectator as “reason”. As Griswold (1999: 139-142) points out, however, such reasonableness is not analogous to Kantian philosophical rationality. Therefore, Smith’s notion of the impartial spectator does not refer to impartial reason and thus implicitly addresses “...what Kantian moral reason is meant to provide...without any of the problematic claims about the transcendental status of reason...”. Smith’s reference to the impartial spectator as “reason” is at Smith 1976 (1790), III.iii.5.



portion of the stream of consciousness into “...a sort of innermost centre within the circle” as evidence of this, and thus depicts his apparent attempt to replace ethereal explanations of consciousness with bodily processes as “...the most paradoxical aspect of James’s theories” (James 1981 [1890]: 284-285 cited in Kress 2000: 270-271; 263). Interestingly, this is a similar criticism to that aimed by James at Hume. James argues against Hume’s “atomistic” view of experience: the notion that identity is composed of discrete and unconnected perceptions. In contrast, for James, consciousness flows. Therefore, as A. E. Pitson (2002: 75) notes, Hume’s metaphor of a chain or train to describe ordinary conscious experience is replaced by James’s metaphorical notion of consciousness as a stream or river. According to Kress, however, this flowing consciousness is duly broken by James’s identification of a “spiritual” core. As Milic Capek explains:

...James is really waging battle on two fronts simultaneously in claiming that neither an empty and homogenous unity nor a sheer plurality of distinct states is an adequate description of the peculiar type of organisation that he calls the “stream of consciousness” (Capek 1953: 533).

Capek thus highlights the extent of James’s dilemma. As he points out, by conceptualising the “perishing thought as the only thinker” James appears to be close to Hume’s supposed nominalism. However, by suggesting that the self transcends any particular conscious state, James may be seen to retreat towards a transcendental Kantian Ego. James therefore appears to vacillate between two theories that he rejects, as he fails to provide: “...any evidence of the Self which would be neither a more successive addition of particular impressions or sensory images nor a timeless and impersonal noumenal entity” (*Ibid*, 536-537).

The broader implications of such arguments to my inquiry are clear. If James fails to successfully replace the accounts he claims to surpass, the validity of his concept of the self must be questioned. Consequently, his concept's apparent similarity to Smith's notion of the self may be more problematic than is at first apparent, and so the potential for devising a framework of the self based on their accounts is challenged.

James's alleged failure to overcome the implications of his phenomenological reduction of the spiritual self to a collection of intracephalic sensations is compounded by John Dewey's argument in "The Vanishing Subject in the Psychology of William James" (1940). As Kress notes, Dewey here proposes that there are "two incompatible strains" in Jamesian psychology: "...epistemological dualism, which argues for a definitive, psychical self, and naturalism which 'purges' psychology of the traditional notion of 'subject', describing mental phenomena in terms of the organism exclusively" (Dewey 1940 cited in Kress 1990: 264, footnote 3). However, James does not display the naturalism that Dewey attributes to him. Indeed, as T. L. S. Sprigge (1993: 76) argues, James's "...phenomenological materialism does not imply that the consciousness of these physical processes is itself a physical process in any ordinary sense". As Capek explains, what James actually denies is that consciousness is "...a timeless, ghostly, and diaphanous entity, common to all individuals and consequently impersonal" (Capek 1953: 532-533).

In *A Pluralistic Universe*,<sup>280</sup> James states: "[t]he conscious self of the moment, the central self, is probably determined to this privileged position by its functional connexion with the body's imminent or present acts. It is the present *acting* self..."

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<sup>280</sup> Hereafter referred to as *APU*.

(James 1909: 344, footnote 8). Therefore, as Capek explains, the “perishing pulse of thought” is not the only thinker. Rather, it is “...only its *present acting part*, continuously accompanied or, more accurately, *preceded*, by nonsensory virtualities of the ‘full self’” (Capek 1953: 543 [italics in original]). James thus conceives of this *central* self as “...a sensory-motor *termination* of the full self”. As he notes:

[m]y present field of consciousness is a centre surrounded by a fringe that shades insensibly into a subconscious more... What we conceptually identify ourselves with and say we are thinking of at any time is the centre; but our full self is the whole field, with all those indefinitely radiating subconscious possibilities of increase that we can only feel without conceiving, and can hardly begin to analyze (James 1977 [1909]: 130 [italics in original]).

The “present *acting* self” is therefore the latest manifestation of the self that is “...continuous, to his own consciousness, at any rate, with a wider self from which saving experiences flow...” (James 1909: 139 cited in Lamberth 1997: 254). As Capek points out, James reached this conclusion after “a period of intense intellectual struggle”. Indeed, Capek explains that James had first discussed the possibility of the substantiation of a subliminal self in *The Hidden Self*, published in 1890. By 1909, the “I” of *PP* becomes the active part of “the full self”. Moreover, as this present acting self is “embedded in the larger cosmic self without being absorbed in it”, Kress’s argument regarding James’s supposed separation of the stream is rendered inaccurate, as the “break” between the spiritual self and the wider self does not occur. Rather, James’s “full self” is contingent with the “I” and as such is in a constant state of becoming (Capek 1953: 527-540).<sup>281</sup> This is similar to Smith’s asymptotic notion of the self. As Seigel (2005: 151) explains, Smith does not consider complete self-governance to be possible, as this would isolate the individual from the sources from

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<sup>281</sup> This relates to Dan McAdams’s concept of “selfing”, which he defines as the appropriation of experience as one’s own. McAdams connects this to James’s “selective industry of the mind” in which the confederacy of selves is constellated around a unifying “character”, and Robert Jay Lifton’s concept of the “protean self” (McAdams 1997: 48-56).

which self-command flows. As such, his self is “always in the process of constructing itself”.

A holistic interpretation of James’s ideas regarding the self therefore demonstrates that he does not merely replicate the “soul” or “Ego” in his concept of the “I”. Further, it is possible to see that there is no inconsistency in the development of James’s thought. Indeed, in *PP*, he states:

[t]he identity which the *I* discovers, as it surveys this long procession, can only be a relative identity, that of a slow shifting in which there is always some common ingredient retained. The commonest element of all, the most uniform, is the possession of the same memories (James 1981 [1890]: 372 [*italics in original*]).<sup>282</sup>

This notion of the persistence of the psychological past in *PP* is thus consistent with the unified self of *APU* in which the present acting part of consciousness relates to the past thoughts and actions of the wider self. Indeed, Capek (1953: 540) argues that this was explicitly affirmed in 1910 in ‘A Suggestion about Mysticism’, one of James’ final articles. This is arguably reminiscent of Locke, for whom:

...consciousness, as far as ever it can be extended - should it be to ages past - unites existences and actions very remote in time into the same person, as well as it does the existences and actions of the immediately preceding moment: so that whatever has the consciousness of present and past actions, is the same person to whom they both belong (Locke 1694, II.XXVII.16).

It is therefore interesting to note James’s praise for Locke, along with Kant, for “...undermining the notion that we know anything about” the soul (James 1981 [1890]: 374; See also *Ibid*, 349). Yet, whilst he subsequently attacks Kant, James merely points out that Locke’s notion “of the same substance having two successive consciousnesses” influenced Hume, who he subsequently criticises for seemingly

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<sup>282</sup> As Eric Knowles and Mark Sibicky (1990: 334) point out, for James: “[e]ach thought has the same directory of past identities, actions, and thoughts as its predecessor”.

rejecting the existence of the conscious self (*Ibid*, 350-351).<sup>283</sup> Contrary to James's view here, however, Hume's notion of identity is arguably more complex. James's interpretation is consistent with Hume's view of the self as it appears in Book I of *A Treatise on Human Nature* (1739), in which he argues against substantialism by demonstrating the impossibility of finding an unchangeable substratum of the mind. However, as Seigel notes, in Book II, whose subject is "the passions", Hume clarifies that it is only in the sense of Book I, which refers to "the understanding", that the self appears as a mental representation to which no sense impression corresponds. When viewed in regard to "our passions and the concern we take in ourselves", Hume points out that: "'Tis evident, that the idea, or rather impression of ourselves is always intimately present with us..." (Hume 1739, II.i.11, cited in Seigel 2005: 126-127).<sup>284</sup>

As Seigel (2005: 126- 127) argues, Hume thus explains that consciousness cannot be posited as the sole constituent of the self. Rather, self-awareness must begin in response to something concrete, and to which reflection attaches itself. Therefore, Hume: "...rose up not against the continuity and identity of the self but...against a one-dimensional reflective understanding of it". This relates to David Norton's argument, discussed in 2.1.2, that Hume's concept of concomitant ideas represents tacit acknowledgement of a knowable, external world. As James perhaps fails to acknowledge, therefore, Hume does not conclusively deny the possibility of enduring selfhood. Furthermore, as Seigel points out, his view is not inconsistent with Locke, as Hume develops Locke's notion of the potential diversity of consciousness into one

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<sup>283</sup> It is interesting to consider that, in *APU*, James appears to favour Hume over Kant: "...technique for technique, doesn't David Hume's technique set, after all, the kind of pattern most difficult to follow? Isn't it the most admirable?...Think of the German literature of aesthetics, with the preposterousness of such an unaesthetic personage as Immanuel Kant enthroned in its centre!" (*Ibid*, 638)

<sup>284</sup> Indeed, as Hume notes in *An Enquiry Concerning Human Understanding* (1748), moral judgements would be impossible if this were the case: "...with what pretence could we employ our criticism upon any polite poet or author, if we could not pronounce the conduct and sentiments of his actors, either natural or unnatural, to such characters, and in such circumstances?" (Hume 1748, VIII.i.18, cited in Seigel 2005: 128)

that can maintain unity. As such, like James, Hume does not reject the possibility of an ongoing self, as both thinkers conceive of an enduring yet changing self that has tacit reference to its past. Indeed, again like James, Hume argues that it is by the activity of the imagination that we are able to view the self as possessing personal identity, which develops in society and develops knowledge of itself through its relations with others (*Ibid*; Broadie 1990: 103-104).

As discussed in 2.1.3, Smith provides a more detailed understanding than Hume of the role of the imagination in relation to identity formation. Whereas Hume restricts his notion of sympathy to that of “contagion”, and limits its role to maintaining the “social will” (Haakonssen 1996: 104), Smith develops his concept of the impartial spectator to provide an intersubjective account of identity formation. Unlike Hume and James, Smith avoids discussions on the nature of consciousness, yet, as with James’s agreement with Horwicz, it is via sympathy that Smith is able to present “...the subjectivity that makes the self able to objectify its own existence as intersubjectively formed” (Seigel 2005: 145).

By neglecting to posit consciousness as the sole constituent of the self, and by locating the unity of an individual’s identity in memory and in self-objectivity via other-directed reflection, James broadly follows the empiricist tradition of Locke, Hume and Smith. However, of these thinkers, it is Smith’s intersubjectively formed self that appears closest to James’s view, as both thinkers recognize that standards of propriety are derived from reflection by the individual upon their “ideal self”, and that individuals may be more or less influenced by contextual interpretations of general, historically enduring, and universally observable standards of propriety that are more strictly or loosely adhered to at different times. Smith and James arguably move

beyond previous accounts, therefore, as in their views propriety is not a culturally informed manifestation of God's will, as with Locke, or exclusively socially derived, as with Hume.

In addition, for Smith and James, propriety is also not entirely decided upon by the individual, as the intersubjective concepts of morality formation that they suggest informs individuals' identity demonstrates that individuals are capable of influencing, as well as being influenced by, the environment in which such behavioural standards are formed. As such, their notions of the self retain agency for the individual and are sophisticated frameworks through which we can arguably begin to adequately conceptualise the complex nature of individual motivations and actions. However, as discussed, Smith's epistemological position is not explicitly stated. Like Hume, James does address this matter openly, and his position, whilst being closer to Hume's than James himself believed, is arguably more sophisticated than Hume's in relation to the self. Moreover, as James's position does not appear dissimilar to Smith's, it is arguable that a comparison between these thinkers can aid a clearer understanding of Smith's philosophical stance. In order to do this, and to further determine the extent of the complementary nature of both thinkers' frameworks of the self, it is necessary to undertake a more thoroughly holistic reading of their ideas.

## Part Two: The social self

### 3.2.1) James's pragmatism

Pragmatism represents a perfectly familiar attitude in philosophy, the empiricist attitude, but it represents it...both in a more radical and in a less objectionable form than it has ever yet assumed. A pragmatist... turns away from abstraction and insufficiency, from verbal solutions, from bad *a priori* reasons, from fixed principles, closed systems, and pretended absolutes and origins.

No particular results, then...but only an attitude of orientation, is what the pragmatic method means. *The attitude of looking away from first things, principles, 'categories', supposed necessities; and of looking towards last things, fruits, consequences, facts* (James 1987 [1907]: 508-510 [italics in original]).

As discussed, in *PP*, James challenges the notion of supposedly ideal standards of moral behaviour as found in Kantian and Christian moral philosophy. Similarly, in *The Will to Believe* (1896),<sup>285</sup> James argues that: "...the words 'good', 'bad', and 'obligation'...mean no absolute natures. They are objects of feeling and desire which have no foothold or anchorage in Being apart from the existence of actually living minds" (James 1896: 197). James's pragmatism demonstrates a continuation of this theme as he disputes the notion that philosophers can know what defines the "good". As he explains in *The Moral Philosopher and the Moral Life* (1897): "...there is no such thing possible as an ethical philosophy dogmatically made up in advance" (James 1897: 184).

As Trygrve Throntveit (2003: 23) notes, rather than rely upon *a priori* judgments about the coherence or plural nature of the universe, James was concerned with the conclusions one could draw from observed experience. Rather than formulate an overarching moral principle or advocate an epistemology based either on an external

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<sup>285</sup> Hereafter referred to as *WB*.



reality or on an internally conceived truth, James suggests that a working combination is necessary (Bird 1997: 277; Schellenberg 1990: 772, footnote 3). However, whilst he rejects certain forms of subjectivism as well as certain forms of objectivism, James leans towards a pluralistic interpretation due to his focus on psychological reality. As Lawlor explains, this leads to James's emphasis on the variety of beliefs that could be held by individuals:

[t]he truth of an idea is not a stagnant property inherent in it. Truth *happens* to an idea. It *becomes true*, is *made* true by events. Its verity is in fact an event, a process: the process namely of its verifying itself, its *verification*. Its validity is the process of its *valid-ation* (James 1987 [1907]: 574 [italics in original] cited in Lawlor 2006: 328).

As true beliefs must be verifiable, James does not reject the notion of an objective world, and his legitimisation of a plurality of worldviews thus does not collapse into a “pernicious subjectivism”. According to Ellen Suckiel (1982: 144-152), therefore: “James's theory of truth is the pinnacle of his philosophical system”. Suckiel notes that in James's ethical theory, the individual generates moral value. Yet it is from this that James develops his intersubjective notion of the self in terms of morality, as he recognises that a community of individuals have multiple demands rooted in their own conative stances towards the world. In doing so, he thus demonstrates that, to be meaningful, philosophical explanations of everyday life must recognise the psychological conditions under which individuals interpret their own and others' situations and motivations. Therefore, as Suckiel argues, James's pragmatism is:

... a sophisticated and coherent system inspired by his commitment to treat philosophy as a serious enterprise, dealing with real problems...[according to James:]...a philosophy should provide us with mechanisms for interpreting our experience which are informative, useful, and conducive to the fulfilment of our highest possibilities.

This relates to his notion in “The Consciousness of Self” wherein an individual makes moral choices with reference to what kind of person they “shall now resolve to become” (James 1981 [1890]: 277) and to his chapters on “Attention”, “Will”, and “Instinct” in *PP*. As Susan Cross and Hazel Marcus (1990: 727-734) note, James points out that an individual’s will “power” over events, objects, and ideas begins when their internal representations of these factors are consistent with their representation of the self. This is because, for James: “...the faculty of voluntarily bringing back a wandering attention, over and over again is the very root of judgment, character, and will”, and it is this that prompts: “...the transition from merely considering an object as possible, to deciding and willing it to be real, the change from...the ‘don’t care’ state of mind to that in which ‘we mean business’” (James 1981 [1890]: 401; 1173).

James distinguishes between involuntary will, which is effectively that of the “ideo-motor” will, and the more complex effort to temporarily fill consciousness with a chosen “object”, which becomes less difficult with practice.<sup>286</sup> Therefore, as the “ideal self” increasingly becomes a more salient aspect of the self, it becomes more easily held “fast before the mind”, which in turn gradually facilitates the individual’s ability to exercise their will more easily over time (Cross and Markus 1990: 727-734). It is through such “*spiritual self-seeking*” that the “narrow and unsympathetic” individual that James describes in *PP* can come to identify more closely with their “truest, strongest, deepest self”- the “spiritual force” which James argues is the “substantive thing which we *are*” (James 1981 [1890]: 309-312; 1181 [*italics in original*]).

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<sup>286</sup> This effort is the voluntary will: “*The essential achievement of the will...when it is most ‘voluntary’, is to ATTEND to a difficult object and hold it fast before the mind.* The so-doing is the *fiat*; and it is a mere physiological incident that when the object is thus attended to, immediate motor consequences should ensue” (*Ibid*, 1166 [*italics in original*]).

Such a theme of gradual moral self-determination arguably reflects Smith's notion of impartial spectatorship, in which the individual comes to increasingly identify himself with the "great arbiter of his conduct":

[t]he view of the impartial spectator becomes so perfectly habitual to him, that, without any effort, without any exertion, he never thinks of surveying his misfortune in any other view (Smith 1976 [1790], III.iii.29; see also *Ibid*, III.iii.25).

For Smith, the gradual development of extensive sympathy with one's impartial spectator therefore facilitates self-command, which leads to a greater understanding of the motives and actions of oneself and of others. Yet this process of mutual accommodation does not equate to a homogenisation of behaviour. Rather, as Seigel points out: "...every individual will continue to feel the things that touch him or her directly with far greater intensity than those that merely concern others" (Seigel 2005: 143; see Smith 1983, *LRBL*, Lecture 20, 63-64). This is arguably reminiscent of James's pragmatic notion that an idea becomes real to the individual when it "...*stings* us in a certain way, makes as it were a certain electric connection with our Self" (James 1981 [1890]: 1172 [italics in original]). It is also arguable that the non-prescriptive nature of Smith's thought on the self - in which an individual intersubjectively develops an increasing identification with her impartial spectator over time - is echoed in James's thought (Seigel 2005: 155). To be sure, both thinkers choose to emphasise gradual self-identification with one's "ideal self" as important factors in their respective frameworks of the self.

### 3.2.2) The symbolic interactionist self

This is of additional interest when one considers the apparent influence of both thinkers on the symbolic interactionists, for whom the self is primarily a social construction made via linguistic exchanges or symbolic interactions with others (Harter 1999: 38; Thoits and Virshup 1997: 108-111). James Schellenberg (1990: 771-772) points out that although James's psychology and philosophy, and in particular, his concept of the social Self, "laid the foundations" of symbolic interactionism, his thought does not share its focus on how social categories become internalised. This view is echoed by Ann Baumgardner (1990: 706-707), who notes the ironic nature of the symbolic interactionists' focus on James's social Self. As Baumgardner argues, James clearly regards the spiritual aspect to be the most important part of the "me":

Perhaps partly because James's discussion of the social self is so succinct...much of American psychology and sociology immediately postdating James focussed on the motivations and processes of the social self, largely ignoring those of the spiritual as well as the material self. Within that work, surely the symbolic interactionists are those who come to mind especially Cooley (1902) and Mead (1934), who focussed almost exclusively on the social self and the influence of social relations on the maintenance and development of the social self.

For Charles Horton Cooley, others' opinions are pivotal in shaping an individual's sense of self. Interestingly, Cooley additionally implies the existence of an internalisation process that enables this sense of self to persist in the absence of external feedback, which appears to bear some resemblance to Smith's notion of the impartial spectator and to James's "ideal self". Unlike these accounts, however, Cooley fails to explain how identity remains stable in the event of negative or disparate views from significant others beyond "this very general shift" as Susan

Harter (1999: 41-42) points out.<sup>287</sup> This is perhaps more pertinent when one considers Cooley's influential "looking-glass self" metaphor, which may appear similar to Smith's famous analogy, and to James's agreement with Horwicz, in which society provides the individual with a "mirror" through which self-appraisal is facilitated (Smith 1976 [1790], III.i.3; James 1981 [1890]: 314). However, unlike Smith's and James's sophisticated frameworks of the self in which a dynamic reflexivity is retained, Cooley's "looking-glass self" does not define how this might come about.

Cooley's view is extended by George Herbert Mead, for whom:

[w]e appear as selves in our conduct insofar as we ourselves take the attitude that others take toward us. We take the role of what may be called the 'generalized' other. And in doing this we appear as social objects, as selves (Mead 1934: 270 cited in Harter 1999: 41).<sup>288</sup>

In Mead's account, the self originates in communicative activities as social interaction gradually becomes symbolic interaction. Mead thus considers James's account of the formation of the self to have failed to recognise its fully social nature. However, it appears that Mead's, Baldwin's, and Cooley's concepts of self-formation are ostensibly influenced by Smith, as they focus on childhood development and the impact of others' views on their self-worth, subjects that Smith discusses at length in *TMS*. Of these thinkers, the connection between Smith and Mead is emphasised most strongly by Timothy Costelloe (1997).

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<sup>287</sup> Cooley argues that an adult with "balanced self-respect" is able to maintain a stable identity, as, unlike children, they have developed the faculty of being "not immediately dependent upon what others think" and therefore have "...stable ways of thinking about the image of self that cannot be upset by passing phases of praise or blame" (Cooley [1902], *Human nature and the social order*, pp.199-201, cited in Harter 1999: 41). By contrast, as discussed, Smith and James explain in detail that the mature individual can overcome disapprobation via reflection upon, respectively, their impartial spectator or their "ideal social self".

<sup>288</sup> As with Cooley, James declines to offer many comments on Mead's early work. As discussed in 2.2.4, Smith also refrains from commenting favourably on the majority of his contemporaries' work.

Costelloe bases his conflation of Smith and Mead on Albion Small's (1972) reading of Smith's impartial spectator as an "individualistic and subjectivist psychology" through which Smith "unsuccessfully" attempts to express an "objective moral philosophy". Small here appears to demonstrate a misunderstanding of the impartial spectator as he interprets it as merely meaning that "...approbation in others is made the cause of approbation in me, and approbation in me is the criterion of value of approbation of others". To Small, therefore, there is: "...no admitted criterion of moral value in Smith's system outside of the judgements of individuals" (Small 1972: 50-52 cited in Costelloe 1997: 86). Following Small's misinterpretation, Costelloe thus erroneously argues that Mead and Smith share "the same conception of selfhood, social interaction and social order" in which individuality is only intelligible via society: "I can see myself only insofar as I am involved in a set of social practices. The impartial spectator becomes an ideal spectator - Mead's 'generalized other'" (Costelloe 1997: 85-97).

As noted, Mead also supposedly follows James. Like James, Mead divides the self into the "I" and the "me". However, unlike James, this division, according to Costelloe: "...is central in forcing the implicit shift in his [Mead's] focus from the realm of the individual to that of the social" (*Ibid*, 85-86). For Mead: "[t]he individual develops a self by first becoming an object to himself, and he does this by adopting the "attitudes" of the individual members of the group to which he belongs" (Mead 1913: 374-380). As Ruth Leys (1993: 277) explains, Mead distinguishes between a "secondary self", which is produced through one's voice when an individual puts herself "in the place of others", and a "first self", of which one is immediately aware, "as when hearing one's own voice one at the same time respond[s] to these social stimulations". Mead states that: "...we do not naturally and primarily turn ourselves

upon how our voice sounds”, and so the “first self” is not ordinarily paid attention to by the individual. Instead, it is via the “secondary self”, or upon hearing how our own voice sounds, that the self is “created”, as when we “...put ourselves in the attitude of another, we direct our attention upon ourselves as a normal object”.<sup>289</sup>

However, as Leys (1993: 295; 298) argues, this is a “bizarre theory” that: “...makes the second self wholly a matter of the process of reflection that allows the primary self to be brought into a kind of consciousness”. Mead’s “peculiar and self-defeating” account therefore: “...threatens to collapse the distinction between the second, manifestly socially constituted self and the presocial, ‘background’ self”. This is clearly at variance with James’s and Smith’s accounts, in which such a collapse between self and society does not occur. However, in spite of their considerable distance from Mead, Leys points out that the latter’s ideas are representative of a broader trend in late nineteenth- and early twentieth-century American social thought:

...his [Mead’s] generation’s attempt to construct a theory of imitation is indebted to William James’s account of the social nature of the self. Its origins also go back to Adam Smith’s theory of sympathy, which in the 1890s underwent a considerable revival in the United States...Sympathy, described by Smith as the ability to imaginatively identify with the sufferings of the other person, became the principle by which a generation of sociologists sought to explain the relations between the individual and others (*Ibid*, 277-294).

Along with the rejection of instinct theory, an explanation of the symbolic interactionists’ focus on socially generated selves is perhaps a cause of this misunderstanding of Smith’s concept of sympathy. Indeed, Mead (1934: 299) describes “imitation” and “sympathy” as “the taking the attitude of the other when one is assisting the other”. Like Cooley, and unlike James, Mead therefore fails to

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<sup>289</sup> Mead, G. H. (1914) ‘Class Lectures in Social Psychology’ in Miller, D. L. (ed.) *The Individual and the Social Self: Unpublished work of George Herbert Mead*. Chicago, IL: University of Chicago Press, pp.71-2 cited in Leys 1993: 298.

adopt the more complex stage of Smith's account of reflexive impartial spectatorship, as his individual embodies "social attitudes rather than roles of separate individuals" (Mead 1934: 179). By contrast, Smith's sophisticated notion of sympathy and recognition of a multiplicity of impartial spectators clearly does not collapse the individual and society, as one is able to determine propriety via reflection upon one's impartial spectator. As Smith writes in a letter to Sir Gilbert Elliot: "...real magnanimity and conscious virtue...can support itself under the disapprobation of mankind".<sup>290</sup>

As such, one's actions are not mere replications of supposedly objective social criteria. Indeed, as discussed, Smith acknowledges that an individual may disagree with others in their community, yet, via sympathy, can learn to respect others' points of view (Smith 1982 [1790], I.iii.2). James arguably echoes this view in his discussion of the "potential social self", in which self-determined agency is retained by the individual who can go against societal disapproval whilst pursuing their "ideal social self". This is in contrast to Mead, who argues that: "[i]n the crowd there is an organisation of individuals without the emergence of any self".<sup>291</sup> Mead's failure to retain space for individual agency therefore renders his explanation less useful than Smith's and James's concepts of the self, which can better explain how attitudes gradually change amongst individuals in societies and how respect for difference in individual attitudes becomes more prevalent. To account for this requires a more nuanced understanding of James's social Self, and recognition of the more sophisticated "second" level of impartial spectatorship in Smith than that demonstrated by Mead. Despite claims made by authors such as Costelloe, it is clear

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<sup>290</sup> Letter from Adam Smith to Sir Gilbert Elliot, 10<sup>th</sup> October 1759, in Smith 1987, letter 40, p.49.

<sup>291</sup> James 1981 (1890): 315; Mead 1927: 149 cited in Leys 1993: 299.



that Smith's flexible and non-prescriptive theory is closer to James's pragmatism than it is to Mead's one-dimensional universalism.<sup>292</sup>

In spite of their paucity, these accounts therefore serve to demonstrate that a more accurate interpretation of Smith's concept of sympathy and James's I/Me distinction reveals deeper connections between their conceptualisations of the self. As such, it is possible to consider a framework of the self that incorporates their insights through which one can begin to countenance a sophisticated notion of individual identity that does not contain universalistic assumptions. Such universalistic understandings of the self include orthodox economists' characterisation of the utility maximising "rational economic man", which, as discussed in 4.1.1, pervades social science discourse (Watson 2005: 52-53). As is discussed in the next Part, James's distance from such accounts points to further connections between his and Smith's philosophical approaches.

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<sup>292</sup> Cross and Marcus (1990: 728) point out the contemporary rejection of Mead's account in favour of a more sophisticated notion of the self: "Psychologists and sociologists alike now concur that the self-concept is probably best framed as a multifaceted phenomenon...Despite James's claims that the self was a composite of material, social, and spiritual selves, until quite recently many approaches to the self-concept formulated it as a fairly monolithic or global entity (see Mead, 1934)".

## Part Three: A Pluralistic Universe

### 3.3.1) Connecting principles

As the previous section has shown, a holistic approach to James's work demonstrates consistency in his thought. As prior chapters have also illustrated, such an approach towards Smith facilitates similar insight into the continuity in his thought. In this section, I show that a thoroughly holistic interpretation additionally demonstrates connections between the two thinkers' underlying epistemologies. As noted, and in contrast to James, Smith does not explicitly state his epistemological position in *TMS* and *WN*. However, in *LJ*, *LRBL*, and, in particular, the essays that comprise his *Essays on Philosophical Subjects*, Smith's view of the provisional nature of knowledge and thus his attitude towards philosophy is arguably rendered less opaque. Moreover, as there is no discernible attempt by him to subsequently alter his position from that taken in his lectures and essays in his later works, the consistent nature of Smith's thought is again emphasised.<sup>293</sup>

In *HoA*, Smith discusses the three "sentiments" of surprise, wonder, and admiration that, he argues, follow sequentially in the establishment of philosophical knowledge. He observes that humans appear to have a psychological need to place the "...events which appear solitary and incoherent" in nature into a philosophical scheme, as they "...disturb the easy movement of the imagination". This: "...prompts mankind to the study of Philosophy, of that science which pretends to lay open the concealed connections that unite the various appearances of nature" (Smith 1980, *HoA*, II.12; III.3). Smith illustrates this by giving the example of the astronomical system, which connects the "grandest and most seemingly disjointed appearances in the heavens"

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<sup>293</sup> As Herbert Thomson (1965: 231) points out: "...the general concept of science presented in his early writings remain substantially unchanged" in Smith's books.

into a contemporarily plausible explanation of observed phenomena (*Ibid*, IV.4).<sup>294</sup>

According to Smith, such an explanation increases the admiration of such phenomena, as it temporarily alleviates the psychological discomfort prompted by surprise and wonder. This emphasis on the intellectual or aesthetic sentiments of surprise, wonder, and admiration is also demonstrated in *LJ*:

Man is the only animal who is possessed of such a nicety that the very colour of an object hurts him. Among different objects a different division or arrangement of them pleases... Easy connection also renders objects agreeable; when we see no reason for the contiguity of the parts, when they are without any natural connection, when they have neither a proper resemblance nor contrast, they never fail of being disagreeable (Smith [1978], *LJ [B]*, II.208).

This point directly precedes his discussion of the importance of aesthetics to the material well being of society:

...imitation and painting render objects more agreeable....Variety of objects also renders them agreeable...These qualities, which are the ground of preference and which give occasion to pleasure and pain, are the cause of many insignificant demands which we by no means stand in need of. The whole industry of human life is employed not in procuring the supply of our three humble necessities, food, cloaths, and lodging, but in procuring the conveniences of it according to the nicety and [and] delicacy of our taste. To improve and multiply the materials which are the principal objects of our necessities, gives occasion to all the variety of the arts (*Ibid*, II.209).<sup>295</sup>

As Griswold points out, aesthetic pleasure is a pervasive theme in *TMS*. Here, sympathy is typified as a “correspondence” of sentiments, propriety is defined in terms of “proportion” and its moral beauty is determined by its “harmony” with our sentiments, and “the harmony of society” is facilitated via individuals’ “harmony and

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<sup>294</sup> As Buchan (2006: 25) notes, Smith’s intention here is thus “...not to provide a history of astronomy...His interest is psychological”.

<sup>295</sup> These arts include “Agriculture” and “Commerce and navigation.” As Smith notes, “[b]y these again other subsidiary arts are occasioned”. These include: “Writing,” “geometry,” and “Law and government”: “Wisdom and virtue too derive their lustre from supplying these necessities...In an uncivilized nation, and where labour is undivided, every thing is provided for that the natural wants of mankind require; yet when the nation is cultivated and labour divided a more liberal provision is allotted them; and it is on this account that a common day labourer in Brittain has more luxury in his way of living than an Indian sovereign” (*Ibid*, II.210-211).

concord” with others and their impartial spectator.<sup>296</sup> Wightman and Bryce point to similar themes in Smith’s reference in *WN* to the aesthetic pleasure deduced from a “...systematical arrangement of different observations connected by a few common principles” (Smith 1976 [1776], V.i.3.2.25); in his observation in *Of the Nature of That Imitation Which Takes Place in What are Called the Imitative Arts*,<sup>297</sup> in which the pleasure derived from contemplation of such systems of thought is compared to that gained from listening to a “well composed concerto of Instrumental Music” (Smith 1980 *Imitative Arts*, II.30); and in *LRBL* in which Smith states: “[i]t gives us a pleasure to see the phaenomena which we reckoned the most unaccountable, all deduced from some principle (commonly a well known one) and all united in one chain”. Here, Smith admits his admiration for Newton’s emphasis on the exposition of a system based on “...certain principles, known or proved, in the beginning, from whence we account for the several phaenomena, connecting all together by the same chain” (Smith 1983, II.133-134 [Lecture 24]). For Smith, therefore, as for Newton: “Philosophy is the science of the connecting principles of human nature” (Smith 1980, *HoA*, II.12).<sup>298</sup>

However, in emphasizing the rhetorical appeal of Newton’s system, Smith is reminding us, as he does more clearly in *HoA*, that such systems are actually “mere inventions of the imagination” (*Ibid*, IV.76).<sup>299</sup> Whilst it is clear that Smith shows an appreciation of such frameworks, he is here intimating the dangers of the tendency to claim existing knowledge as universal “truth”. This is explicated more forcefully in

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<sup>296</sup> Smith 1976 (1790), I.i.2.2; I.i.3.5; I.i.4.5; I.i.4.7 cited in Griswold 1999: 330. See also Smith 1976 (1790), VII.iv.28. See Labio (2006) for a review of recent literature on the significance of aesthetics in Smith’s thought.

<sup>297</sup> Hereafter referred to as *Imitative Arts*.

<sup>298</sup> However, Smith credits Galileo rather than Newton with the notion that the establishment of a system must derive from “from reason and experience” (*Ibid*, IV.44).

<sup>299</sup> See Loasby 2002: 1231-1232. The extent of Smith’s admiration for Newton is discussed in 1.2.2.

Smith's warnings against "men of system" in *TMS*, which, as argued in 2.4.1, inform the restrained nature of his policy proposals in *WN*.

These examples suggest a consistently cautious attitude in Smith's thought towards fixed philosophical or scientific schemas that lay claim to supposedly objective truth. Moreover, Smith's recurring suspicion of dogmatic systems of explanation is arguably comparable to the similarly consistent attitude reflected in James's *oeuvre*. In *The Hidden Self* (1890), James argues that:

[t]he ideal of every science is that of a closed and completed system of truth... and, so far from free is most men's fancy, that when a consistent and organised scheme of this sort has once been comprehended and assimilated, a different scheme is unimaginable (James 1890: 361).

This is reflected in *PP*, where he suggests: "[f]rom one year to another we see things in new lights" (James 1981 [1890]: 227), and in *WB*, where he states: "[n]o concrete test of what is really true has ever been agreed upon" (James 1979 [1896]: 22). Consequently, he argues in *APU* that: "...no philosophy can ever be anything but a summary sketch, a picture of the world in abridgment, a foreshortened bird's-eye view of the perspective of events" (James 1987 [1909]: 633). This view is also reiterated in *The Meaning of Truth*:

Experience, as we know, has ways of *boiling over*, and making us correct our present formulas...The present sheds a backward light on the world's previous processes. They may have been truth-processes for the actors in them. They are not so for one who knows the later revelations of the story (James 1911: xi [*italics in original*]).

As Leary explains, this commitment to the fundamental reality of alternative perspectives permeates James's system of thought from his earliest definition of philosophy as "the possession of mental perspective" in *Essays in Philosophy* (James 1876: 4 cited in Leary 1992: 158). Certainly, James argues in *PP* (1890) that the

individual selects such a perspective: “*My experience is what I agree to attend to*” (James 1981 [1890]: 380 [italics in original]).<sup>300</sup> This view is reflected in his argument in *WB*, in which James states:

[t]he individual has a stock of old opinions already, but he meets a new experience that puts them to strain...The result is an inward trouble to which his mind till then had been a stranger, and from which he seeks to escape by modifying his previous mass of opinions...until at last some new idea comes up which he can graft upon the ancient stock with a minimum of disturbance of the latter, some idea that mediates between the stock and the new experience and runs them into one another most felicitously and expediently (James 1907: 35).

This is similar to Smith’s view in *HoA* and *Imitative Arts*, in which he argues that individuals are motivated to attempt to “soothe the imagination” (Smith 1980, *HoA*, II.12) and obtain, via scientific or philosophical explanations, a “state of...tranquillity, and composure” (Smith 1980, *Imitative Arts*, II.20).<sup>301</sup> As Brian Loasby argues, such a process of inventing and imposing connecting principles in order to maintain psychological comfort generates speciation, which in turn accelerates the growth of scientific knowledge (Loasby 2002: 1229-1232). As with Smith, James views this process to be additionally useful insofar as it facilitates wider awareness of the limitations of belief in objective, fixed reality:

When the first mathematical, logical, and natural uniformities, the first *laws*, were discovered, men were so carried away by the clearness, beauty and simplification that resulted, that they believed themselves to have deciphered authentically the eternal thoughts of the Almighty...[However]...as the sciences have developed farther, the notion has gained ground that most, perhaps all, of our laws are only approximations. The laws themselves,

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<sup>300</sup> As James points out: “[t]he altogether unique kind of interest which each human feels in those parts of creation which it can call *me* or *mine* may be a moral riddle, but it is a fundamental psychological fact” (*Ibid*: 278). As Leary (1992: 157) notes, therefore: “[t]he concept of *interest* is thus fundamental to James’s psychology and philosophy, and in particular to his view of human understanding”.

<sup>301</sup> Smith refers to the terms “science” and “philosophy” interchangeably, which suggests that he considers them to be the same thing. As Richard Olson points out, Smith certainly does not load the term “science” with objective connotations, but “sets up a human rather than an absolute or natural standard for science, and it leaves all science essentially hypothetical” (Olson, R. [1975] *Scottish Philosophy and British Physics, 1750-1880*, Princeton, NJ: Princeton University Press, p.123, cited in Wightman and Bryce, intro to Smith 1980: 12).

moreover, have grown so numerous that there is no counting them; and so many rival formulations are proposed in all the branches of science that investigators have become accustomed to the notion that no theory is absolutely a transcript of reality, but that any one of them may from some point of view be useful (James 1987 [1907]: 511 [*italics in original*]).

Like Smith, James thus views such laws as temporary aids to human understanding rather than final explanations of reality. It is arguable, however, that such an understanding has not been imported into orthodox economists' assumptions regarding the supposed universal rationality of individuals, which, as has been argued, informs notions of the self in contemporary IPE. By contrast, as Herbert Thomson (1965: 231) argues, Smith "...was not willing to restrict his speculations to economic statics or to the purely mechanical relationships of economic phenomena".

### 3.3.2) The practical imagination

It is therefore interesting to consider Smith's discussion in *HoA* of Aristotle's view of the Pythagoreans, who first studied arithmetic and then explained "all things by the properties of numbers" (Smith 1980, *HoA*, II.12). Smith discusses this in relation to the process of a kind of cross-fertilisation among separate areas of inquiry, wherein an analogy is adapted in a related field, to serve, in some cases, as the "great hinge upon which every thing turned" in it.<sup>302</sup> Such a process thus leads to new discoveries within different branches of inquiry. As Thomson notes, in *HoA*, Smith gives the examples of the systems devised by Ptolemy, Copernicus, Descartes, Kepler, and Newton, who sought analogies that could be used as "...organising principles to impart greater simplicity and accuracy to another science" (Thomson 1965: 223-224). According to Thomson, Smith also extends Aristotle's theoretical distinction between final and efficient causes. As Thomson explains, Smith develops his own distinction between the purpose of nature in history, and the unintended outcomes of individual agency: "[t]his Aristotelian distinction is expanded by Smith into a deception, or illusion theory" (*Ibid*, 227-232). In *WN*, this deception famously takes the form of the invisible hand. As Raphael and Macfie (intro to Smith 1976 [1790], p.14) argue:

[i]n itself the idea of deception by an invisible hand is unconvincing. It gains its plausibility from the preceding account of aesthetic pleasure afforded by power and riches, a pleasure that is reinforced by the admiration of spectators. Smith himself clearly set most store by the psychological explanation. But the invisible hand, through its reappearance in *WN*, has captured the attention, especially of economists.

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<sup>302</sup> "In the same manner also, others have written parallels of painting and poetry, of poetry and music, of music and architecture, of beauty and virtue, of all the fine arts; systems which have universally owed their origin to the lucubrations of those who were acquainted with the one art, but ignorant of the other" (Smith 1980, *HoA*, II.12). Such a flexible approach to the insights of thinkers from different fields and previous times arguably reflects Smith's own methodology. As I discuss in 2.3.4, Smith develops his own concepts via the retention and rejection of the insights of a variety of thinkers (see Vivenza 2001; Hope 1989; see also Smith 1987, letter to Lord Shelburne 29<sup>th</sup> October 1759, letter 42, pp. 58-60, in which Smith lists the books that are "suitable for educating" his tutee, the Duke of Buccleuch).



Unlike subsequent orthodox economists' use of his most famous metaphor, Smith clearly provides a psychological rather than a rationalistic account of behaviour in his adaptation of the Aristotelian distinction to explain unintended outcomes of individuals' behaviour. This is arguably reflected in *TMS*. Here, as Watson (2005: 220) notes, Smith demonstrates that "...it is 'passions' rather than 'reason' that provide the guide for action, and which condition our response to the social circumstances in which we find ourselves". As Smith explains:

Nature has directed us to the greater part of these by original and immediate instincts. Hunger, thirst, the passion which unites the two sexes, the love of pleasure, and the dread of pain, prompt us to apply those means for their own sakes, and without any consideration of their tendency to those beneficent ends which the great Director of nature intended to produce by them (Smith 1976 [1790], II.iii.3.10).

As Thomson (1965: 228) points out: "[t]his analogy, taken from the most commonplace observations in biology...is used to justify or explain...that a progressive force exists in nature, apart from any conscious human planning". Such analogies thus contribute to tranquillity, which, according to Smith, is the point of philosophy.

As discussed, this psychological view of the nature of the development of knowledge is also reflected in *HoA*, where Smith first introduces his analogy of the invisible hand. As James Buchan notes: "[e]xposed to alarming and inexplicable natural phenomena, the savage mind sees the actions of '...the invisible hand of Jupiter'" (Smith 1980, *HoA*, III.2 cited in Buchan 2006: 38). Smith thus demonstrates via this analogy that the needs of the imagination are temporarily satisfied until a process of modification is necessary to overcome newly emergent complexities associated with

the answers the current explanation provides.<sup>303</sup> As such, “philosophical systems” are based upon ongoing psychological needs, for which more complex understandings and explanations will be developed in the future. Smith’s emphasis on the evolutionary nature of this process thus demonstrates his connecting of the intellectual and moral progress of individuals to that of contemporary scientific progress whilst implying the absurdity of claims to absolute, objective knowledge made by philosophical, scientific and theological systems.<sup>304</sup> As he points out in *HoA*: “[p]hilosophy, therefore, may be regarded as one of those arts which address themselves to the imagination” (Smith 1980, *HoA*, II.12).

However, as he also notes here, imagination can hinder as well as stimulate new knowledge. Smith points out that the “natural prejudices of the imagination” partly explain the original resistance to the notion of a moving earth before the temporary acceptance of the ideas of Copernicus (*Ibid*, IV.52).<sup>305</sup> As Brian Loasby argues, Smith thus points out that such resistance “...appealed to principles of motion that conformed to prevailing conceptions of good order”. Similarly “...most economists accept the notion of ‘rational expectations’ because it fits their idea of a good theory” (Loasby 2002: 1231). It is interesting therefore that Smith refers to resistance in his

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<sup>303</sup> As Wightman and Bryce explain, this in turn renders the previously sufficient explanation unacceptable to the imagination, which prompts an alternative thought-system “designed to explain the *same* problems as the first, at least in its most complex form” (Wightman and Bryce, intro to Smith 1980, p.7 [italics in original]). Smith notes that, by the sixteenth century: “[t]his system [of Astronomy] had now become as intricate and complex as those appearances themselves, which it had been invented to render uniform and coherent. The imagination, therefore, found itself but little relieved from that embarrassment, into which those appearances had thrown it, by so perplexed an account of things” (Smith 1980, *HoA*, IV.7; see also Fiori 2001: 438-443).

<sup>304</sup> As Loasby argues: “[a]s our foundation model of the growth of knowledge as an evolutionary process, we cannot do better than Adam Smith’s psychological theory of the emergence and development of science, which he illustrated by the history of astronomy” (Loasby 2002: 1231).

<sup>305</sup> In *TMS*, Smith points out: “[t]he vortices of Des Cartes were regarded by a very ingenious nation, for near a century together, as a most satisfactory account of the revolutions of the heavenly bodies. Yet it has been demonstrated, to the conviction of all mankind, that these pretended causes of those wonderful effects, not only do not actually exist, but are utterly impossible, and if they did exist, could produce no such effects as are ascribed to them” (Smith 1976 [1790], VII.iv.4.14).

discussion in *TMS* of “the abstruser sciences” such as mathematics, which are “not always very easily comprehended”:

It was not...their utility which first recommended them to the public admiration. This quality was but little insisted upon, till it became necessary to make some reply to the reproaches of those, who, having themselves no taste for such sublime discoveries, endeavoured to depreciate them as useless (Smith 1976 [1790], IV.ii.7).

This is consistent with his point in *LRBL*:

The People, to which they are ordinarily directed, have no pleasure in these abstruse deductions; their interest, and the practicability and honourableness of the thing recommended is what alone will sway with them and is seldom to be shewn in a long deduction of arguments (Smith 1983, *LRBL*, ii.135 [Lecture 24]).

Smith is here demonstrating the connected nature of self-interest, utility and virtue whilst pointing out that philosophical explanations must accord with everyday experience. As Fleischacker (2004: 24) points out: “Smith wants economics to make ready sense to us; he wants to show how its fundamental principles are but extrapolations of what we ordinarily believe...”<sup>306</sup> This relates to Smith’s argument in *WN* in which he states: “...every individual, it is evident, can, in his local situation, judge much better than any statesman or lawgiver can do for him” in deciding “[w]hat...species of domestick industry...his capital can employ, and of which the produce is likely to be of the greatest value” (Smith 1976 [1776], IV.ii.10).<sup>307</sup> It is worthy of note, therefore, that it is this discussion - regarding merchants preferring to invest in domestic rather than foreign industry - that is the point at which Smith introduces his “invisible hand” analogy to demonstrate the beneficial, if unintended,

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<sup>306</sup> As Peil explains, according to Smith, there is no essential difference between learning in daily life and scientific research (Peil 1999: 124).

<sup>307</sup> This appears similar to James’s approach. As Lawlor (2006: 327) notes, James “...wrote impressionistically to get his ideas across. In addition, recall that he aimed for a wider audience than professional philosophers”. Similarly, for Cotkin (1990: 88), James was a public philosopher who “...attempted to capture the nature of the cultural crisis of his era and to present solutions to it in accessible philosophical formulation”.

effects of such behaviour upon the accumulated stock of the national economy (Smith 1976 [1776], IV.ii.9 cited in Watson 2005: 175).

Smith's use of such an analogy to facilitate understanding thus demonstrates the emphasis he places on the practical role of the imagination in comprehending and creating social phenomena. This is also stressed in his discussion of emulation in *TMS*. As with the invisible hand analogy in *WN*, Smith again grants a role to "deception" in material progress. As he points out, individuals imagine the supposed happiness enjoyed by the wealthy, and seek to emulate them: "[i]t is this deception which rouses and keeps in continual motion the industry of mankind" (Smith 1976 [1790], IV.i.10). As discussed in 1.1.2, this facilitates moral progress via extensive sympathy, Smith's central concept. The adaptation of Aristotle's distinction is therefore important to Smith's account, and provides further evidence of his commitment to the intersubjective, evolutionary nature of "truth", whilst further undermining the supposed *aporia* in his work as noted by Griswold.<sup>308</sup> As Richard Olson argues:

[t]he great significance of Smith's doctrine is that since it measures the value of philosophical systems solely in relation to their satisfaction of the human craving for order, it sets up a human rather than an absolute or natural standard for science, and it leaves all science essentially hypothetical.<sup>309</sup>

James appears to share this position. In *The Meaning of Truth*, he contends that:

[p]urely objective truth, truth in whose establishment the function of giving human satisfaction in marrying previous parts of experience with newer parts play no role whatever, is nowhere to be found (James 1911: 37).

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<sup>308</sup> See 2b and 3b for a rejection of this argument.

<sup>309</sup> Olson, R. (1975) *Scottish Philosophy and British Physics, 1750-1880*. Princeton, NJ: Princeton University Press, p.123 cited in Wightman and Bryce, intro to Smith 1980, p.12.

As truth for James relies upon the interests of the individual, the development of knowledge thus relates not just to philosophical systems, but also to the processes undertaken by individuals in terms of gaining clearer knowledge of themselves and others via experience. As discussed in 3.1.3, for James this process involves imaginative reflection by individuals upon their “ideal selves” and upon others in society. James therefore places emphasis upon the role of the practical imagination and social experience on identity, and relates the intellectual and moral progress of society to that of the individual. It is interesting therefore to consider the view of Haakonssen (2006: 10), who argues that Smith’s emphasis on the role of the practical imagination is key to his notion of identity:

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”.

Sympathy is of course discussed most thoroughly in *TMS*.<sup>310</sup> Here, Smith also relates his awareness of the contested nature of truth to the evolution of scientific knowledge in his critique of rationalism. As he notes: “[t]hat virtue consists in conformity to reason” was “...more easily received at a time when the abstract science of human nature was but in its infancy, and before the distinct offices and powers of the different faculties of the human mind had been carefully examined and distinguished from one another” (Smith 1976 [1790], VII.iii.2.5-6). However, Smith’s rejection of rationalism does not result in his advocating relativism. Rather, he accounts for enduring, yet culturally interpreted, moral practices via empirical observations. As Haakonssen (2006: 4-6) argues, using this method enables Smith to demonstrate that, despite some practices being universally observable, “...it is impossible to formulate a

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<sup>310</sup> See Smith 1976 (1790), VII.ii-iv; see also *Ibid*, III.v.5.

universal idea of the highest good or the good life”.<sup>311</sup> Smith’s account of virtue is thus consistent with his evolutionary approach to scientific understanding. As Thomson (1965: 232) explains: “Smith’s view, which is expressed in his earliest writings, is that a science must explain causal relationships that are exceedingly complex, and where more than one explanation may be offered that is consistent with the observed facts”.

Again, this view is similar to that expressed by James. In *WB*, he argues that: “...deadness and liveness in an hypothesis are not intrinsic properties, but relations to the individual thinker”. For James, such hypotheses relate to moral preferences, as: “...our non-intellectual nature does influence our convictions. There are passionall tendencies and volitions which run before and others which come after belief...” As a consequence, “[t]here are, then, cases where a fact cannot come at all unless a preliminary faith exists in its coming”.<sup>312</sup> This relates to James’s argument against rationalist systems of philosophy in *Pragmatism*, which, he states, are:

...far less an account of this actual world than a clear addition built upon it, a classic sanctuary in which the rationalist fancy may take refuge from the intolerably confused and gothic character which mere facts present. It is no *explanation* of our concrete universe; it is another thing altogether, a substitute for it, a remedy, a way of escape (James 1987 [1907]: 495-496 [*italics in original*]).

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<sup>311</sup> As Haakonssen explains, for Smith: “[b]ecause moral personality derives from the mutual judgements of people and because such judgements depend on the social experience and imagination, the idea of personhood...must vary with time and place” (*Ibid*). Haakonssen relates this to Smith’s theorisation of the four stages of society: “[e]ach extension of the concept of what can be considered a person entails a change in the interests people have and, hence, what sort of injuries they are subject to and what rights they meaningfully can claim recognition for” (*Ibid*, 18).

<sup>312</sup> James 1979 (1896): 14; 19-20; 29. This is consistent with Smith’s argument in *HoA* that “...no system, how well soever in other respects supported, has ever been able to gain any general credit on the world, whose connecting principles were not such as were familiar to all mankind” (Smith 1980, *HoA*, II.12). As Loasby (2002: 1232) argues, these “...connecting principles... are widely diffused because of our readiness...to look for guidance ...and because of our desire to act...in ways that merit the approval of others. These powerful emotions, together with the underlying similarity in human mental, emotional and aesthetic processes which underpins them, are foundational principles of Smith’s *Theory of Moral Sentiments*”.

James therefore shares with Smith a cautious approach towards fixed systems based on claims to supposedly immutable knowledge whilst retaining the possibility of an ontological commitment to an external world. However, this does not equate to objectivism. As James argues: “[t]he essential contrast is that for rationalism reality is ready-made and complete from all eternity, while for pragmatism it is still in the making” (*Ibid*, 115). According to James, therefore, the pragmatist can find a middle ground between empiricism and rationalism. As he suggests, pragmatism can “...remain religious like the rationalisms, but at the same time, like the empiricisms, it can preserve the richest intimacy with the facts” (*Ibid*, 500-1).<sup>313</sup> Similarly, as Thomson explains, although “Smith speaks of himself occasionally as an empiricist”, he avoids explicitly aligning himself with the purely inductive empiricism of Bacon, Hobbes, and Locke. According to Thomson, Smith agrees with Berkeley’s blurring of the empiricists’ distinction between the primary and secondary qualities of colour, sound, taste, and smell. Smith therefore rejects the early empiricists’ isolation of “primary qualities” of things, and, like James, thus avoids their emphasis on the supposedly objective, measurable truth.<sup>314</sup> Instead, as noted, Smith consistently relates standards of judgment to aesthetic rather than rational criteria throughout his work. As Thomson points out, therefore, for Smith:

...two or more alternate theories may provide equally satisfactory explanations of a given body of phenomena, and may be equally true; the one explanation would be preferred to another on account of its simplicity and elegance (Thomson 1965: 219-221; see Smith 1980, *HoA*, II.12).

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<sup>313</sup> Whilst attempting to occupy this middle ground, James appears to favour the latter approach. In the Appendix to *Some Problems of Philosophy: A Beginning of an Introduction to Philosophy* (1910), he notes that: “[e]mpiricism, believing in possibilities, is willing to formulate its universe in hypothetical propositions. Rationalism, believing only in impossibilities and necessities, insists on the contrary on their being categorical” (James 1992 [1910], Appendix: 1099).

<sup>314</sup> It is interesting, therefore, to consider James’s pragmatic characterisation of Berkeley. *Pace* Locke’s passive “belief in a substantial soul behind our consciousness” and Hume’s denial of the soul, James points out that: “[a]s I said of Berkeley’s matter, the soul is good or ‘true’ for just so *much*, but no more” (James 1987 [1907]: 525-526 [italics in original]; See also Myers 1986: 97).

Whilst I am not attempting to class Smith as a pragmatist, the connection between his thought and that of James here is emphasized further by Wightman and Bryce's argument that Smith's approach to philosophical systems is of contemporary relevance:

...today we should be more ready than Adam Smith to think that the replacement of the currently favoured theory of physics or astronomy is not just possible but probable...The new theory may be preferred because it is simpler or because it can be connected more directly with the theory of a related branch of science...Is it then proper to claim that the preferred theory is more *true* than its rival? (Wightman and Bryce, intro to Smith 1980: 21[italics in original])

This view is arguably reflected in James's *WB*, in which he observes: "[f]or what a contradictory array of opinions have objective evidence and absolute certitude been claimed!" (James 1979 [1896]: 98) This relates to *Pragmatism*, wherein he again connects the evolutionary nature of truth claims to individual perspectives: "A new opinion counts as 'true' just in proportion as it gratifies the individual's desire to assimilate the novel in his experience to his beliefs in stock" (James 1907: 512-513). As Wightman and Bryce note, the pluralistic nature of "truth" has been demonstrated through the development of scientific knowledge:

In these days of relativity theory, physics itself seems to cast doubt on any idea of strictly objective truths in nature independent of observers at different points of space and time. Adam Smith's view of science appears more perceptive today than it will have done in the eighteenth century (Wightman and Bryce, intro to Smith 1980: 21).<sup>315</sup>

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<sup>315</sup> Thomson connects Smith's thought to that of Albert Einstein, for whom: "[s]cience is not just a collection of laws, a catalogue of unrelated facts. It is a creation of the human mind, with its freely invented ideas and concepts" (Einstein, A. and Infeld, L. [1938] *The Evolution of Physics*, New York, NY: Simon and Schuster, p.310, cited in Thomson 1965: 223. See also Khalil [1989]). Wightman and Bryce (intro to Smith 1980: 15) also draw close comparisons between Smith's view here and T. S. Kuhn's work on scientific revolutions.



### 3.3.3) Habit and the practical imagination

It is therefore interesting to consider Smith's salience to another area of scientific enquiry: that of psychology. In *HoA*, Smith notes that the creation of new knowledge depends upon the assimilation of information into new categories:

When two objects, however unlike, have often been observed to follow each other, and have constantly presented themselves to the senses in that order, they come to be so connected together in the fancy, that the idea of the one seems, of its own accord, to call up and introduce that of the other...(Smith 1980, *HoA*, II.7; see also Smith 1978, *LJ [B]*, II.208).

As Loasby (2002: 1235) points out, Smith's view of human intelligence as reliant upon connecting principles rather than formal logic is supported by a wide range of psychologists' findings.<sup>316</sup> As has been suggested, Smith bases his account of philosophical and scientific knowledge formation on a psychological explanation, which, as Loasby (2002: 1236) explains, enables Smith to recognise "...the obstacles to absorption among those for whom no such assimilation is possible - or in other words, who lack the relevant absorptive capacity". Smith thus acknowledges that a variety of standards of ability regarding imaginative reflection exist among individuals, which relates to his conceptualisation of a multiplicity of impartial spectators. As such, it is interesting to note James's argument in *WB* that "similar instances" are "the necessary first step" in any type of human understanding, whether scientific or non-scientific (James 1896: 987 cited in Leary 1992: 153).

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<sup>316</sup> These include Winkeilman and Berridge, who note that a "...common source of subrational influences on liking was examined in our research on the affective consequences of manipulating the ease, or *fluency* of information processing...A similar observation was made by Adam Smith in his 'Lectures on Jurisprudence', in which he wrote that: 'easy connection...renders objects agreeable'" (Smith 1978, *LJ [B]*, II.208 cited in Winkeilman and Berridge 2003: 670 [italics in original]). As discussed in earlier sections of this chapter, Smith is an acknowledged influential figure across a variety of disciplines, including that of psychology. See Baumeister (1997); McAdams (1997).

This view is reflected in his discussion of “the Law of Contiguity” in *Talks to Teachers on Psychology and to Students on Some of Life’s Ideals* (1899):

Any object not interesting in itself may become interesting through becoming associated with an object in which an interest already exists. The two associated objects grow, as it were, together; the interesting portion sheds its quality over the whole; and thus things not interesting in their own right borrow an interest which becomes as real and as strong as that of any natively interesting thing (James 2006 [1899]: 74).<sup>317</sup>

This is more intriguing when one considers that, like Smith’s acknowledgement of varied levels of concord between individuals and their impartial spectator, James conceives of different levels of imaginative ability among individuals relating to their “ideal self” in *PP*. Here, he notes that: “...some people are far more sensitive to resemblances, and far more ready to point out wherein they consist, than others are”.

James relates this observation to habit:

Habit is thus the enormous fly-wheel of society, its most precious conservative agent. It alone is what keeps us all within the bounds of ordinance, and saves the children of fortune from the envious uprisings of the poor. It alone prevents the hardest and most repulsive walks of life from being deserted by those brought up to tread therein...(James 1981 [1890]: 500; 121).

Although this may appear to be an elitist argument, James is actually pointing out the social utility of such habit formation, which, he explains, is due to education, custom, and the individual’s will. This remark is consistent with his argument in *WB* in which he notes that the ideal self prompts the morally strenuous life (James 1992 [1879]: 585). As James argues here, and in the chapters on “Habit” and “Will” in *PP*, it is via habit that individuals become more adept at reflecting upon their ideal self. As this process becomes habitual, individuals are increasingly aware of the socially beneficial consequences of behaving morally. This is perhaps similar to Smith’s distinction in

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<sup>317</sup> As James notes: “[t]he entire routine of our memorized acquisitions is a consequence of nothing but the Law of Contiguity” (*Ibid*, 67).

WN between “a philosopher and a common street porter” which, he points out, “...seems to arise not so much from nature, as from habit, custom, and education” (Smith 1981 [1776], I.ii.4). Here, Smith, again like James, is not advocating elitism but is explaining that such differences are socially useful as they perpetuate the division of labour:

Among men...the most dissimilar geniuses are of use to one another; the different produces of their respective talents, by the general disposition to truck, barter, and exchange, being brought, as it were, into a common stock, where every man may purchase whatever part of the produce of other men’s talents he has occasion for (*Ibid*, I.ii.5).<sup>318</sup>

As Smith explains in his lectures at Glasgow, the division of labour “...flows from a direct propensity in human nature for one man to barter with another”. However:

[t]his disposition to barter is by no means founded upon different genius and talents...Genius is more the effect of the division of labour than the latter is of it. The difference between a porter and a philosopher in the first four or five years of their life is properly speaking none at all. When they come to be employed in different occupations, their views widen and differ by degrees (Smith 1978, *LJ [B]*, II.219).

The social utility of the habitual taking of roles is also reflected here:

A miln wright perhaps found out the way of turning the spindle with the hand. But he who contrived that the outer wheel should go by water was a philosopher, whose business it is to do nothing, but observe every thing...fire machines, wind and water-milns, were the invention of philosophers, whose dexterity too is encreased by a division of labour. They all divide themselves, according to the different branches, into the mechanical, moral, political, chymical philosophers (Smith 1978, *LJ [B]*, II.218).

Smith thus demonstrates that each individual adds to society by contributing to the overall stock of knowledge. In addition, he points out the material benefits of such interaction:

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<sup>318</sup> As Smith notes: “...without the disposition to truck, barter, and exchange, every man must have procured to himself every necessary and conveniency of life which he wanted. All must have had the same duties to perform, and the same work to do, and there could have been no such difference of employment as could alone give occasion to any great difference of talents” (*Ibid*, I.ii.4).

The philosopher and the porter are both of advantage to each other. The porter is of use in carrying burthens for the philosopher, and in his turn he burns his coals cheaper by the philosopher's invention of the fire machine (*Ibid*, II.220-221).<sup>319</sup>

As he notes, philosophers "...must have extensive views of things...[and] bring in the assistance of new powers not formerly applied" (Smith 1978, *LJ [A]*, II.218).<sup>320</sup> This is reflected in Book I, chapter i of *WN*. Immediately after discussing the division of labour in relation to the pin factory example, Smith notes:

All the improvements in machinery...have by no means been the inventions of those who had occasion to use the machines. Many improvements have been made by the ingenuity of the makers of the machines, when to make them became the business of a peculiar trade; and some by that of those who are called philosophers or men of speculation, whose trade it is, not to do any thing, but to observe every thing; and who, upon that account, are often capable of combining together the powers of the most distant and dissimilar objects (Smith 1976 [1776], I.i.9).

This relates to the emphasis Smith places upon the role of the practical imagination and the cross-fertilisation of ideas in *HoA*, in which he explains that philosophical effort can only take place: "...when law has established order and security, and subsistence ceases to be precarious" (Smith 1980, *HoA*, III.iii).<sup>321</sup> He relates this process to moral progress via sympathy most clearly in *TMS*.<sup>322</sup> However, he also observes the increasing personal and social awareness of the connection between conscionable and optimal behaviour in exchange that is realized through the practical

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<sup>319</sup> As Campbell and Skinner note, according to W. R. Scott, Smith was probably referring here to James Watt, the inventor of the "fire machine" [steam engine] (Scott cited in Campbell and Skinner, in Smith 1976 [1776], p.21, footnote 22). See 'Early Draft of Part of the Wealth of Nations' 19; 30; 'First Fragment on the Division of Labour' 1, in Smith 1978, *LJ*, Appendix.

<sup>320</sup> As Haakonssen (2006: 11) notes, the practical imagination is therefore key to Smith's central concept: "[w]e spontaneously see people as purposeful, and this is the central act of the practical imagination. Smith calls this sympathy..."

<sup>321</sup> As Thomson (1965: 218) points out: "[t]he advance of knowledge thus becomes cumulative; each advance should provide more leisure and security for affluent individuals to devote more time to its advancement".

<sup>322</sup> See, for example Smith 1976 (1790), V.II.8; *Ibid*, III.iii.29; *Ibid*, III.iii.25. As Thomson notes: "[i]n *The Theory of Moral Sentiments*, *sympathy* serves as the regulating force which sustains the divergent motions of individuals and directs their courses within the harmonious pattern established by nature..." (Thomson 1965: 226 [italics in original]).

imagination and experience in *WN*.<sup>323</sup> As Thomson (1965: 230-231) argues, therefore: “[t]he apparently normative aspects of *WN* reflect Smith’s efforts to account for the trend of historical development and to do justice to the fundamental principles of psychology, as well as to present a coherent system”.<sup>324</sup>

Smith thus consistently emphasises the role of imagination and habit upon individuals in the establishment of sympathetic commercial activity and relates the cumulative nature of such specialisation to philosophical, technological, material and moral advances within society. Therefore, Smith’s emphasis on “dissimilar geniuses” among individuals in his lectures and in *WN* is consistent with *HoA*, in which he notes that the person “...who has spent his whole life in the study of the connecting principles of nature, will often feel an interval betwixt two objects, which, to more careless observers, seem very strictly conjoined” (Smith 1980, *HoA*, II.11).<sup>325</sup>

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<sup>323</sup> See, for example Smith 1976 (1776), I.x.b.25; I.ii.2. This echoes Smith’s argument in *TMS* that justice is served when “mercenary exchange of good offices according to an agreed valuation” is made (Smith 1976 [1790], II.ii.3.2). This relates to perhaps Smith’s most famous quote: “[i]t 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” (Smith 1976 [1776], I.ii.2), which is also referred to in his lectures (Smith 1978, *LJ [A]*, vi.45-46; *LJ [B]*, II.219-222).

<sup>324</sup> Therefore, as Thomson explains: “[i]n both *The Theory of Moral Sentiments* and *The Wealth of Nations*, the structure of the system is constituted by an equilibrium between the individual and society” (*Ibid*).

<sup>325</sup> As Loasby (2002: 1232) argues: “...it is in this scientific context that the effects of division of labour first appear” in Smith’s work.

#### 3.3.4) Philosophy and the self

Smith's notion that imagination, habit, custom, and education can make certain individuals more perceptive than others thus relates to his connection between material, moral, and intellectual growth, as well as to his rejection of rationalism. This is reflected by Smith in the section 'Of the Sense of SEEING' in 'Of The External Senses'.<sup>326</sup> Echoing Berkeley, Smith here notes that: "...no man ever saw the same visible object twice" (Smith 1982a, *External Senses*, 59). However, Smith also points out that, although all individuals have the ability to master "certain rules of Perspective", in some cases this ability can be impaired or lost. Smith illustrates this point with reference to a blind patient, who, after being treated for cataracts, learns to use the "language" of sight in order to develop his innate ability to discern differences between objects' size in relation to his distance from them, and the difference between paintings and the objects they are meant to represent. Smith explains that, had the patient's cataracts not been treated until a later date: "[i]n him this instinctive power, not having been exerted at the proper season, may, from disuse, have gone gradually to decay" (*Ibid*, 50; 57-69). Smith notes that it is:

...not very easy to say how it is that we learn" this skill "whether by some particular instinct, or by some application of either reason or experience, which has become so perfectly habitual to us, that we are scarcely sensible when we make use of it (*Ibid*, 50).

However, he appears to appear to favour the former explanation:

...though it may have been altogether by the slow paces of observation and experience that this young gentleman acquired the knowledge of the connection between visible and tangible objects; we cannot from thence with certainty infer, that young children have not some instinctive perception of the same kind (*Ibid*, 69).

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<sup>326</sup> Hereafter referred to as *External Senses*.

This example demonstrates that, for Smith, each individual has the ability to discern connections between representations of the external world, and this ability may be more developed in certain individuals via education or habitual exposure to a particular skill. Therefore, as Thomson argues:

[i]n preference to either a consistent rationalism or a strictly inductive process of reasoning, Smith favoured the intuitive judgment of the expert, who through extensive experience and erudition with a particular field of study had acquired a skill or taste with respect to his field of specialization. From such a perspective, the *beauty*, *order*, and *harmony* of a system of thought became parts of its verification (Thomson 1965: 220 [italics in original]).<sup>327</sup>

This arguably demonstrates again that, as with Smith's concept of the self, despite the absence of an explicit discussion, it is possible to infer his philosophical commitments via a holistic interpretation of his thought. As Wightman and Bryce point out, although he ostensibly had "little to say about man's external situation", Smith:

...assumes that *all* men are endowed with certain faculties and propensities such as reason, reflection, and imagination, and that they are motivated by a desire to acquire the sources of pleasure and avoid those of pain. In this context pleasure relates to a state of the imagination: the "state of...tranquillity, and composure" (Smith 1980, *Imitative Arts*, II.20 cited in Wightman and Bryce, intro to Smith 1980: 3 [italics in original]).

This highlights a contrast between Smith and Hume. As discussed in 2.2.3, both thinkers are influenced by Cicero. As James Moore (1994: 26-27) argues, whereas Hume demonstrates a proclivity for Cicero's Epicurean thoughts, Smith avoids an overt Epicurean preference.<sup>328</sup> According to Moore, Hume's Epicurean reading of human nature suggests that our inherent weakness and instability need to be remedied by convention. This relates to his understanding of sympathy, which, as Norton

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<sup>327</sup> According to Loasby, Smith's position is thus consistent with Hume's view of reason, which "alone can never produce any action" (Hume, D. [1978 (1739)] *A Treatise of Human Nature*, edited by L. A. Selby-Bigge, Oxford: Clarendon Press, p.414, cited in Loasby 2002: 1231; see also Fleischacker 2004: 26; Wightman and Bryce, intro to Smith 1980: 16).

<sup>328</sup> As Moore points out, unlike Hutcheson, Smith also avoids an overt preference of the Stoic elements of Cicero's thought (*Ibid*; see 2.2.3).

(1982: 542) suggests, facilitates Hume's appeal to the collective judgement of a society "...equipped to produce disinterested and intersubjective judgements of an objective moral reality". Although Norton perhaps stresses this point in order to underscore his argument that Hume is not a metaphysical sceptic, it is clear that Smith stresses the role of the individual's will as opposed to accounting for sympathy, like Hume, in terms of natural causation and the principles of the association of impressions and ideas (Broadie 2006: 171).

As Griswold explains, in Smith's interpretation, Epicurus considers virtue to be "defined relative to its utility to the agent's desire for tranquility and thus pleasure". However, Smith avoids this conflation of sympathy and selfishness. Via his attack on Mandeville, Smith shows that what satisfies the spectator is not the pleasure of self-love, "but the *mutuality* of the concord of sympathy" (Griswold 1999: 126 [italics in original]).<sup>329</sup> Thus, unlike Hume, Smith can explain that sympathy is not always pleasurable, but is an activity that requires effort. Therefore, an individual's conceptualization of what is pleasurable or painful is related to their level of moral development, which informs their ability to generate concord. As such, different levels of proximity to one's spectator are observable among individuals. Thus, those that are in closer harmony with their spectator are able to sympathise with those that are not in accord with their own, and can sympathise with a view with which they do not agree or a set of circumstances which do not reflect their own.<sup>330</sup> Indeed, one could argue that Smith considers this aspect of sympathy to be fundamental to the moral progress of society, and, by extension, that a multiplicity of moral standards and impartial spectators are observed not only to exist but to be necessary. To be sure,

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<sup>329</sup> See Smith 1976 (1790), VII.ii.2.14-16 in which Smith criticises Epicurus for referring "...all the primary objects of natural desire and aversion to the pleasures and pains of the body".

<sup>330</sup> As Broadie (2006: 172) suggests, it is through the process of sympathetic interaction that an individual can thus reflect upon disagreeable aspects of their own nature, which can prompt deeper evaluation of their own beliefs.



for Smith, sympathy is an active imaginative process that both informs and is informed by each individual's identity and experiences.<sup>331</sup>

James (1981 [1890]: 288) broadly reflects this view. As discussed, for him, the individual chooses to identify with a particular aspect of their "Me": their material, social, or spiritual Self. The "real" for each individual is thus what excites her: "Our requirements in the way of reality terminate in our own acts and emotions, our own pleasures and pains. These are the ultimate fixities from which...the whole chain of our beliefs depends" (James 1889: 345).<sup>332</sup> Truth is therefore a personal and practical matter, which relates to James's evolutionary, asymptotic view of knowledge, which he connects to individuals' progress. As he notes in *WB*: "[t]he spirit and principles of science are mere affairs of method...The only form of thing that we directly encounter, the only experience that we concretely have is our own personal life" (James 1979 [1896]: 327). This is alluded to in *Some Problems of Philosophy: A Beginning of an Introduction to Philosophy*:

The melioristic universe is conceived after a *social* analogy, as a pluralism of independent powers...Its destiny thus hangs on an *if*, or on a lot of *ifs* – which amounts to saying...that, the world being as yet unfinished, its total character can be expressed only by *hypothetical* and not by *categorical* propositions... (James 1981 [1910], Appendix: 1099 [italics in original]).

This is a reiteration of James's preference for empiricist over rationalist methodology, which demonstrates his countenancing of unintended consequences:

[a]s individual members of a pluralistic universe, we must recognize that, even though we do our best, the other factors also will have a voice in the result...We *must* 'Trust' them; and at any rate do our best, in spite of the *if*;

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<sup>331</sup> See Hume 1896 (1739), III.ii.1. Smith may be seen to challenge Hume directly in Part I of *TMS* (e.g., Smith 1976 [1790], I.i.1.1).

<sup>332</sup> As Strube (1990: 701) argues: "[t]hus, to the extent that self-knowledge allows better contact with the pleasures and pains of self-seeking, the truer is that self-knowledge".

...‘*If* we do *our* best, and the other powers do *their* best, the world will be perfected’ (*Ibid*, 1100 [italics in original]).

As James is aware, however, these “other powers” are interfered with via prescriptive interventions, a view consistent with Smith’s opposition to “men of system”.<sup>333</sup> Moreover, like Smith, James clearly does not posit a perfectible universe, and nor does he specify how such an outcome ought to be achieved. As noted, for James, pragmatism “...does not stand for any special results” (James 1987 [1907]: 509). According to Wesley Cooper (2003: 412-413), this demonstrates James’s modest consequentialism in which morality is simply “about making things go better”. This is again comparable to Smith’s position, a point that is made more clearly by consideration of James’s rejection of Thomas Reid.

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<sup>333</sup> See Smith 1976 (1790), VI.ii.2.16-18; Smith 1976 (1776), Book IV.

### 3.3.5) Pragmatism and Common Sense

According to Ronald Beanblossom (2000: 488-489):

[w]hereas Reid finds theoretical solutions to metaphysical questions, James finds only practical solutions based upon the demands of subjective satisfaction, that is, meliorism. Whereas Reid claims truth is objective, James claims it is subjective...<sup>334</sup>

As such, it is James's pragmatic meliorism that enables him to overcome moral subjectivism.<sup>335</sup> As Beanblossom notes, James is thus able to mediate between empiricism and rationalism, as his meliorism allows him to justify, on practical grounds, a notion of moral objectivity alongside his commitment to pluralism. As Beanblossom argues, for James: "[i]f we *make* the truth in ethics, then subjective satisfaction can justify the belief that there is objectivity in morals" (Beanblossom 2000: 480-483 [italics in original]). This relates to James's intersubjective notion of knowledge formation as discussed in *Pragmatism*, in which: "[t]he world stands really malleable...Man *engenders* truth upon it" (James 1987 [1907]: 599 [italics in original]). Similarly, in *WB*, James argues that:

[n]o concrete test of what is really true has ever been agreed upon. Some make the criterion external to the moment of perception...Others make the perceptive moment its own test – Descartes, for instance, with his clear and distinct ideas guaranteed by the veracity of God; Reid with his "common sense"; and Kant with his forms of synthetic judgment *a priori*...[yet]...The much lauded evidence is never triumphantly there; it is mere aspiration or *Grenzbegriff*, marking the infinitely remote ideal of our thinking life...<sup>336</sup>

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<sup>334</sup> As Beanblossom (2000: 489) notes: "[f]or Reid, common sense beliefs are not a fund of basic beliefs which are altered over time as practical needs may require..."

<sup>335</sup> In *The Dilemma of Determinism* from his *Essays in Pragmatism*, James cites Alexander Carlyle's admonition of such "...a vast, gloomy, solitary Golgotha and mill of death" to describe subjectivism (James 1948: 57).

<sup>336</sup> James 1979 (1896): 22-23 (italics in original). As Lee Oser notes, James denies Descartes' mind-body dualism by anchoring the self as a moral agent in the physical conditions of our animal life. Moreover, this view "stands in profound contrast to post-Kantian aesthetic theory, which suspends the physical presence of the body in favor of the world-constructing faculties of mind" (Oser 2004: 286; See James 1992 [1892], *Psychology: Briefer Course*, p. 356).

In *Pragmatism*, James discusses the tension between “common sense” perception and the “invisible” makeup of the world that science investigates:

As common sense interpolates her constant ‘things’ between our intermittent sensations, so science *extrapolates* her world of ‘primary’ qualities, her atoms, her ether, her magnetic fields, and the like, beyond the common sense world. Science and critical philosophy thus burst the bounds of common sense...

With critical philosophy, havoc is made of everything. The common-sense categories one and all cease to represent anything in the way of *being*; they are all but sublime tricks of human thought, our ways of escaping bewilderment in the midst of sensation’s irremediable flow (James 1987 (1907): 566-567 [italics in original]).

James’s characterisation of common sense here appears similar to Smith’s first stage of philosophical knowledge, that of wonder, as elucidated in *HoA*. As discussed, here, as elsewhere, Smith implicitly rejects rationalism yet by no means discards the possibility of a knowable, external world. However, rather than discuss these issues at any length, Smith focuses on the practical contribution to and consequences of philosophical inquiry relating to material, intellectual, and moral progress. This theme is, again, reflected in the work of James, who arrives at such a stance via a more detailed explanation of the practical value of philosophy. As he argues in *Pragmatism*, in contrast to “the scientific tendency in critical thought”, which “...has opened an entirely unexpected range of practical utilities to our astonished view”:

The philosophic stage of criticism...so far gives us no new range of practical power. Locke, Hume, Berkeley, Kant, Hegel, have all been utterly sterile, as far as shedding any light on the details of nature goes...The satisfaction they yield to their disciples are intellectual, not practical; and even then we have to confess that there is a large minus-side to the account (*Ibid*, 567-568).

This relates to his criticisms of “the Scotch school” in *PP*:

Locke and Kant, whilst still believing in the soul, began the work of undermining the notion that we know anything about it. Most modern writers of the mitigated, spiritualistic, or dualistic philosophy - the Scotch school, as it

is often called among us - are forward to proclaim this ignorance, and to attend exclusively to the verifiable phenomena of self-consciousness, as we have laid them down. Dr. Wayland, for example, begins his *Elements of Intellectual Philosophy* with the phrase “Of the essence of Mind we know nothing,” ... This analogy of our two ignorances is a favorite remark in the Scotch school (James 1981 [1890]: 347-348).

The Dr. Wayland to whom James refers is the US clergyman and educator Francis Wayland, whose *The Elements of Intellectual Philosophy* (1854), *Elements of Political Economy* (1841), and *Elements of Moral Science* (1835) are heavily influenced by Thomas Reid (Madden 1962: 348). As Donald Frey notes, Wayland attempts to render Protestant morality compatible with *laissez-faire* economics, interpreting the invisible hand as the Divine hand of God (Frey 2002: 229; Tribe 2003: 233). As is evident in 1.3.1, this is a misinterpretation of Smith’s view. As is also discussed in 2.2.2, Smith is opposed to Reid’s position. Arguably, James’s antipathy towards Reid affords a clearer understanding of Smith’s epistemology.

Although Smith does not refer to Reid, the latter refers to him. In a letter to Lord Kames, Reid states: “I have always thought Dr. Smith’s System of Sympathy wrong. It is indeed only a Refinement of the selfish System”.<sup>337</sup> However, Smith explains that, during sympathetic interaction:

I not only change circumstances with you, but I change persons and characters. My grief, therefore, is entirely upon your account, and not in the least upon my own. It is not, therefore, in the least selfish (Smith 1976 [1790], VII.iii.1.4; see also *Ibid*, I.i.1.2).

In contrast to Reid, Smith holds, as Broadie (2006: 187) notes, “...that a person can operate with a set of moral categories, such as propriety...duty, and moral rules, without having those categories in a synthetic unity with categories of a religious or

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<sup>337</sup> Letter from Thomas Reid to Henry Home, Lord Kames in Ross, I. S. (1965) *Unpublished Letters of Thomas Reid to Lord Kames, 1762-1782*. Texas Studies in Literature & Language, 7 (1): 17-65.

theological sort”. This is, again, similar to James’s position. In *The Varieties of Religious Experience*,<sup>338</sup> James contrasts “institutional” to “personal” religion, and concludes that the latter is “...more fundamental than either theology or ecclesiasticism” (James 1987 [1902]: 33-35). In this “pragmatic religion”, belief in God is justified if it useful for the individual to hold that belief:

Religion, therefore, as I now ask you arbitrarily to take it, shall mean for us *the feelings, acts and experiences of individual men in their solitude, so far as they apprehend themselves to stand in relation to whatever they may consider the divine* (*Ibid*, 36 [italics in original]).<sup>339</sup>

In the concluding lecture of *VRE* James asks “...is the existence of so many religious types and sects and creeds regrettable?” His answer is, emphatically, “No” (James 1987 [1902]: 436). Indeed, James points out in *Essays in Radical Empiricism* that: “[r]eligious institutions are prone to becoming interested chiefly in their own dogma and corporate ambitions” (James 1912: 268-9). This arguably relates to his general opposition to “bigness and greatness in all their forms”,<sup>340</sup> which reflects his pluralistic notion of truth. As he notes in *Talks to Students on Some of Life’s Ideals* (1899):

[h]ands off: neither the whole of truth nor the whole of good, is revealed to any single observer, although each observer gains a partial superiority of insight from the peculiar position in which he stands...It is enough to ask each of us that he should be faithful to his own opportunities and make the most of his own blessings, without presuming to regulate the rest of the vast field (James 1992 [1899]: 860).

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<sup>338</sup> Hereafter referred to as *VRE*.

<sup>339</sup> As James notes in ‘Conclusions’: “God is real since he produces real effects” (*Ibid*, 461). As Suckiel (2003: 33) notes: “[o]n some occasions, notably Lectures XIV and XV of *Varieties*, *The Will to Believe*, *Is Life Worth Living?* and Lecture III of *Pragmatism*, James argues for the justifiability of holding religious beliefs, based on the consequences in the life of the believer that those beliefs engender”.

<sup>340</sup> As Coon highlights, in a letter from June 1899 expressing his anger over the Spanish-American War, James states: “[t]he bigger the unit you deal with, the hollower, the more brutal, the more mendacious is the life displayed. So I am against all big organizations as such...and in favor of the eternal forces of truth which always work in the individual and immediately unsuccessful way, underdogs always, till history comes after they are long dead, and puts them on top” (William James, letter to Sarah Jane Whitman, in H. James (1920) (ed.) *The Letters of William James*, Boston, II, 90, cited in Coon 1996: 80).

Again, this is comparable to Smith's antipathy towards "men of system".<sup>341</sup> In *WN*, he argues against "[t]he interested and active zeal of religious teachers [which] can be dangerous and troublesome only where there is, either but one sect tolerated in the society, or where the whole of a large society is divided into two or three great sects..." (Smith 1976 [1776], V.i.g.8). This reflects Smith's consistent advocacy of freedom of choice and suspicion of political interference:

...if politicks had never called in the aid of religion, had the conquering party never adopted the tenets of one sect more than those of another, when it had gained the victory, it would probably have dealt equally and impartially with all the different sects, and have allowed every man to chuse his own priest and his own religion as he thought proper. There would in this case, no doubt, have been a great multitude of religious sects (*Ibid*).

It may appear paradoxical however, that, whilst demonstrating the social utility of eradicating religious faction via society being "...divided into two or three hundred, or perhaps into as many thousand small sects", Smith appears to advocate one "true" religion:

...the concessions which they would mutually find it both convenient and agreeable to make to one another, might in time probably reduce the doctrine of the greater part of them to that pure and rational religion, free from every mixture of absurdity, imposture, or fanaticism, such as wise men have in all ages of the world wished to see established (*Ibid*, V.iii.3.8; See also *Ibid*, V.iii.3.6).

However, this "pure and rational" religion, when considered in the context of Smith's general suspicion of dogma and emphasis on self-determination via the impartial spectator, would appear to be one in which the individual's relationship to their spirituality need not be mediated by organised religion. As Broadie (2006: 187) notes, it is possible to see *TMS* as "...an attempt to introduce the experimental method of

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<sup>341</sup> See Smith 1976 (1776), I.viii.36; IV.ii.9; V.i.e.18; Smith 1976 (1790), V.ii.9; VI.iii.28; Rosenberg 1979: 29; Rosenberg 1960: 562; Salter 1999: 223; De Marchi and Greene 2005: 451-452; see also 1.1.1-2 for a discussion of Smith's concern for the poor.

reasoning into moral subjects”.<sup>342</sup> Yet Smith avoids conflating morality with rationality. As Griswold argues, Smith once refers to the viewpoint of the impartial spectator as “reason”. However, such “reasonableness” is not analogous to Kantian rationality. Therefore, Smith’s notion of the impartial spectator does not refer to impartial reason yet implicitly addresses “...what Kantian moral reason is meant to provide...without any of the problematic claims about the transcendental status of reason” (Griswold 1999: 139-142).<sup>343</sup>

As argued, Smith’s intersubjective understanding of moral reasoning is shared by James. In *Pragmatism*, he contends: “[t]o treat abstract principles as finalities, before which our intellects may come to rest in a state of admiring contemplation, is the great rationalist failing” (James 1987 [1907]: 527).<sup>344</sup> A holistic reading of Smith’s and James’s work thus reveals that, for them, moral identity does not derive from universalistic assumptions based on theological or rationalist claims to truth. As Haakonssen (2006: 9) argues:

[w]hile a scientist of human nature, such as Smith, 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.

This reflects my argument in 2.3.2 regarding Smith’s conceptualisation of a multiplicity of impartial spectators. Smith is aware that no one, including himself, has

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<sup>342</sup> This is, of course, the subtitle of Hume’s *A Treatise of Human Nature* (1739). As Gavin Kennedy (2005: 18-19) explains, it is this text that was confiscated by Smith’s tutors at Balliol College, who reprimanded him for owning a book they considered unsuitable reading for a candidate for ordination. It would appear that Smith’s antipathy towards organised religion continued throughout his career in academia. As Buchan notes: “John Ramsay of Ochertyre reported that Smith asked to be excused from opening his [moral philosophy] class [at Glasgow] with a prayer, but was refused” (Ramsay, J. [1888], *Scotland and Scotsmen in the Eighteenth Century*, Edinburgh: William Blackwood, Vol. 1, p.463 cited in Buchan 2006: 42). See also Smith 1976 (1790), III.v.13; *Ibid*, III.ii.35.

<sup>343</sup> Smith’s reference to the impartial spectator as “reason” is in Smith 1976 (1790), III.iii.5.

<sup>344</sup> This is arguably reflected in *VRE*: “Both our personal ideals and our religious and mystical experiences must be interpreted congruously with the kind of scenery which our thinking mind inhabits. The philosophic climate of our time inevitably forces its own clothing on us” (James 1987 [1902]: 388-389).



sufficient information to make infallible judgements. Indeed, as Broadie (2006: 183) points out: “...we can never say that the impartial spectator’s judgment is true, and in that sense every such judgement is no more than a holding operation”.<sup>345</sup> This again relates to James’s pragmatic rejection of supposedly objective truth and his commitment to the asymptotic and provisional nature of knowledge. As discussed, James argues in ‘The Consciousness of Self’ in *PP* that one’s “ideal social self” prompts an individual’s addressing their moral aspirations. The philosophical relevance of such a position is evident in his rejection of Schopenhauer in the previous chapter in *PP*, ‘The Stream of Consciousness’, in which James discusses why “ethical energy” is “the decisive issue of a man’s career”:

When he debates, Shall I commit this crime? choose that profession? accept that office, or marry this fortune? - his choice really lies between one of several equally possible future Characters. What he shall become is fixed by the conduct of the moment.... The problem with the man is less what act he shall now resolve to do than what being he shall now choose to become (James 1981 [1890]: 172 [italics in original]).

Such choices imply an open-ended future, actively affected by the individual.<sup>346</sup> This is reflected in the self-determining aspects of Smith’s impartial spectator concept. As noted, rather than posit an ideal standard towards which all individuals must aspire, Smith’s: “...concern is to explain how people make moral assessments of the merit of their own and other people’s motives and behaviour, and he suggests that this happens by an implicit invocation of their notion of ideal propriety”, as Haakonssen (2006: 12-

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<sup>345</sup> As Broadie (2006: 184) notes: “[i]n the light of the foregoing comments we have to recognise that despite Smith’s reference to ‘the judgment of the ideal man within the breast’ (Smith 1976 [1790], III.3.26), the doctrine of the impartial spectator is not a contribution to, even less a version of, the ‘ideal observer theory’ that has been on the agenda at least since Roderick Firth’s work”.

<sup>346</sup> This is in contrast to dogmatic theological and philosophical systems that claim access to an objective viewpoint from which universal moral standards are derived and towards which individuals are to be compelled. Moreover, as discussed, James does not suggest that identity is purely socially constructed. Rather, as Oser (2004: 290-291) points out, James’s rejection of Schopenhauer entails that the “Jamesian self is able to be socialized...but its “constituents”, “mutations” and “multiplications” are basic to our experience, the healthy attunement of which forms a large part of moral education” (See James 1992 [1892]: 174–209).

14) points out. This is because, for Smith, as for James: "...as moral agents, we are acts of creative imagination".<sup>347</sup> Therefore, as Broadie (2006: 184) argues:

[t]he impartial spectator is simply not ideal, but instead the best, for all its many faults, that we can manage. That best is constrained by limited information admixed with error and by an affective nature that can yield to pressure from outside forces and, in yielding, distort the agent's moral judgments.<sup>348</sup>

Like James, Smith thus appears to posit a pluralistic moral universe, albeit one that is underpinned by observable similarities. As such, neither thinker presents their conceptualization of the self as being an atomized, perfectly informed agent that is free from external constraints. This is in direct contrast to neoclassical economists' assumptions about "rational economic man".

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<sup>347</sup> As Haakonssen rightly argues: "[i]f he (Smith) had meant this to be a criterion of right action, as opposed to an analysis of the structure of people's judgement of right action, then it would clearly have been circular and quite vacuous..." (*Ibid*).

<sup>348</sup> As Broadie (2006: 185) notes: "[t]he real spectator sets the agenda for the impartial and, but for the prompting, the latter might have stayed asleep and the agent would not have reacted appropriately to his situation".

### 3b) Chapter Three conclusion

This chapter has demonstrated the compatibility between Smith's and James's notions of the self via a comparison of their intersubjective explanations of the nature of identity and knowledge formation. This serves to reiterate that neoclassical authors' reductionist views of Smith's work fail to adequately reflect his psychological account of identity and behaviour and the connections that he demonstrates exist between material, moral and scientific progress. This predisciplinary approach is also reflected in James's work. As Ashmore and Jussim (1997: v) point out: "[p]sychological and sociological analyses of self have a common parent in William James". However, although James's views regarding the self are accurately represented within contemporary psychology, his ideas are imported into sociology via figures such as Mead. An example of this is given by Roy Bhaskar (2002: 70), who states: "[p]erhaps the best known attempt in the 20<sup>th</sup> century...of the self is the contrast between the 'I' and 'me', initially formulated by Meade [sic]".

It is interesting therefore to consider that, like mainstream economists, sociologists are similarly obstructed from engaging effectively with Smith. One explanation of this is Mead's misinterpretation of Smith's concept of sympathy, which, in turn, contributes to a reiteration of the supposed two "Adam Smiths" across the social sciences. This is supported by Costelloe's admittance that Mead never cites or mentions *TMS* (Costelloe 1997: 83). Along with severely undermining Costelloe's claim that Smith's notion of sympathy facilitates Mead's supposedly identical conceptualisation of the self, this also shows Mead's reading of Smith to be as selective as that of orthodox economists, albeit with a different emphasis.

This is also reflected in more sophisticated attempts to engage with Smith in sociology, as is evident in the "ethical naturalism" of Andrew Sayer (2003). In

contrast to Mead, Sayer refers exclusively to *TMS* in his attempt to reconcile structural and agential factors in moral philosophy via Smith. Sayer is also informed by Griswold's argument regarding the alleged *aporia* between Smith's "historical" and "conventionalist" account of morality. As discussed in 2b, for Griswold, Smith does not explain how general, unchanging principles of justice might be derived from moral notions. As such, Griswold (1999: 257) asks: "[i]s not the process either circular or inherently impossible?" As I have argued, Smith avoids this *aporia* by implying a multiplicity of impartial spectators and an intersubjective account of the development of moral standards.

As I have suggested, this account is echoed by James. Indeed, both authors stress the evolutionary nature of and the close connection between knowledge and morality formation. With this, and both authors' antipathy towards prescription, in mind, we can more fruitfully interpret Smith's comments regarding "...the science of a legislator, whose deliberations ought to be governed by general principles which are always the same" (Smith 1976 [1776], IV.ii.39). This quote appears in "Of Restraints Upon The Importation As Can Be Produced At Home from foreign Countries of such Goods" in Book IV of *WN*. Here, Smith argues against restrictions on imports of items such as corn, salt, and cattle; points out the "folly" of taxes placed upon necessities; and discusses the negative impacts of retaliatory tariffs. Indeed, it is in this section that he introduces the invisible hand metaphor (*Ibid*, IV.ii.9), which, as noted, relates to the evolutionary character of material, moral and scientific progress. Therefore, this quote, used by Griswold to demonstrate Smith's supposed deduction of moral standards from an unchanging, objective source, actually appears in a section in which he is arguing *against* the prescriptive interference of individuals that may lay claim to such standards. As such, we can see that his notion of "general principles

which are always the same” does not relate to *a priori* moral standards, but to his observation that retaliatory actions are reactions to previous interventions that restrict progress. This enables Smith to advocate the virtues of the “scientific” legislator, a disinterested figure, similar perhaps to that of each individual’s impartial spectator, who can see the long-run benefits of freer trade, as opposed to those figures that are more suited to dealing with such short-term policies: “...that insidious and crafty animal, vulgarly called a statesman or politician, whose councils are directed by the momentary fluctuations of affairs” (*Ibid*). By introducing such a temporal aspect, Smith is clearly demonstrating that there are no fixed rules for dealing with every eventuality, a theme that is consistent with his rejection of casuistry and “men of system” (Smith 1976 [1790], VI.ii.1.22).

As suggested, and as Haakonssen and Winch (2006: 386) point out: “[t]here is an exact parallel between his [Smith’s] concept of morals and his view of the physical sciences”. By highlighting Smith’s view of the evolutionary and open-ended nature of knowledge formation through a comparison with James, one is able to see more clearly that a pluralistic view of the nature of morality pervades Smith’s thought. As such, it is plain that his attempt to articulate the “general principles of law and government” is an undertaking based on observation rather than a normative process. This goes against Griswold’s stance, which informs Sayer’s view that: “Smith appears to waver between realist and conventionalist views” (Sayer 2003: 6-7). To support this, Sayer quotes from *TMS*:

“Originally, however, we approve of another man’s judgement, not as something useful, but as right, as accurate, as agreeable to truth and reality.” However, this realist point is immediately compromised when he [Smith] continues “and it is evident that he attributes those qualities to it for no other reason but because we find that it agrees with our own.” - implying a subjective or conventionalist view of truth (Smith 1976 [1790], I.i.4.4 cited in Sayer 2003: 7).

Sayer (2003: 12) argues that “...we need to relate ethical dispositions or moral sentiments both to the kinds of beings we are - social, embodied beings located in various societies or communities - and to what it is that makes people not merely respond to conditions but discriminate among them”. Smith would no doubt concur. However, although Sayer attempts to account for the effects of social processes, he does not explain how such discrimination might occur, nor how moral dispositions are formed, beyond that of these social processes that he argues are overly focused upon in social constructivist accounts. As such, in attempting to avoid relativism, Sayer arguably veers towards Bhaskar’s Meadian collapse of the individual and society.

As I have argued, a holistic reading of Smith reveals that, while he never rejects epistemological realism, he does not commit himself to this position. This is evinced by his rejection of Hutcheson’s moral sense concept and of rationalist and common sense arguments throughout his *oeuvre*. Furthermore, as is clear from his rejection of Mandeville and his development of Hume’s notion of sympathy, Smith does not imply a conventionalist version of truth. Indeed, his discussions in *TMS* regarding slavery and infanticide clearly demonstrate this (Smith 1976 [1790], VII.i.2.28; V.ii.15). As Haakonssen and Winch (2006: 386) argue, Smith:

...certainly subscribed to the relativity of morals in the sense that he saw moral phenomena as objects of causable explanation (i.e. as understandable in relation to their generation and effect). However, that is different from the metaphysical doctrine that values inherently or necessarily vary with their circumstances so that universal values are impossible, a doctrine Smith would have as little truck as with any other piece of metaphysics.

As such, Sayer’s argument for a “qualified ethical naturalism” fails to provide any move beyond that which Smith already recognises, but is unwilling to emphasise.<sup>349</sup>

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<sup>349</sup> As Haakonssen (1996: 131) argues, the object of the impartial spectator’s judgement is a socially formed self: “...but this does not mean that there are no universally constant features of humanity

However, a rejection of Sayer's argument highlights that, rather than "wavering", Smith's asymptotic view of the nature of knowledge and morality formation consistently informs his work. As Olson explains: "Smith implied that unceasing change rather than permanence must be the characteristic of philosophy".<sup>350</sup> As Haakonssen and Winch (2006: 382-384) suggest, this does not imply "...that Smith had no concepts of moral obligation, rightness, and goodness; it is simply to maintain that once we have an account of the origin and function of these moral concepts - their causes and effects - there is nothing more to say about them in philosophical or 'scientific' terms". As they argue: "If we want guidance on how to live the good life, we should look elsewhere..." (*Ibid*, 382-385)<sup>351</sup>

This relates to my argument in 2.3.2 that Smith conceives of a multiplicity of impartial spectators, as well as to contemporary pragmatist notions that: "...the question of how the world 'really' is independently of our goals and descriptions is simply not relevant" (Kivinen and Piirainen 2004: 239; 338). This reflects James's view. As discussed, for James, moral truth is what it is useful, personally and socially, for the individual to believe. As this relates to his notion of the ideal social self as the motivating factor, as it is in Smith's account of the impartial spectator, this is unlike Mandeville's social "deception" and Hume's convention-based social utility argument. As with Smith, this is also at odds with Hutcheson's moral sense argument, the rationalism of Kant, the common sense of Reid, and theological accounts that

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...the moral philosopher can trace certain patterns of moral reaction across different societies and cultures".

<sup>350</sup> Olson, J. (1975), *Scottish Philosophy and British Physics, 1750-1870*. Princeton, NJ: Princeton University Press, p. 123 cited in Wightman and Bryce, intro to Smith 1980: 12.

<sup>351</sup> Haakonssen and Winch (2006: 386-387) suggest that for Smith: "...there were in fact three features of the moral life that seemed to have a high degree of stability across time and place - a conclusion reached by his empirical, especially historical, study of the species...the negative virtue of justice...the positive virtues that regulate people's love of each other... [and] the procedural virtue of impartiality". As they argue: "[t]his reading of Smith's moral theory is confirmed by the fact that all his moral, legal, and political criticism is, as it were, internal to an historically given situation..." (*Ibid*, 337-338).

claim moral standards derive from God and are knowable through an accountable, indivisible soul's relationship to Him via their doctrines. Instead, for James, "...minds inhabit environments which act on them and on which they in turn react" (James 1981 [1890]: 294). As noted, this is similar to Smith's account.

Arguably, it is via such a comparison that it is possible to see more clearly that for Smith, as for James, moral identity is formed by an individual in relation to their ideal self and their contextual environment, which they affect and are affected by.<sup>352</sup> This relates to both thinkers' asymptotic notions of truth and retention of an analytically distinct part of the self with which the individual communes. Indeed, it is evident in both accounts that it is via conscious effort that individuals can change their moral perspectives over time. It is thus as absurd to argue that Smith places emphasis upon a fixed ontological reality as it is to claim that either thinker proposes a conventionalist account of moral standards. As Haakonssen and Winch (2006: 338) point out, Smith: "...has virtually nothing to say about what to expect of the future; and his prescriptions", such as they are, "...are all 'internalist,' piecemeal, and hedged with qualifying doubt on all sides". Therefore, like James, in suggesting that a plurality of moral standards exists, Smith does not "...pour out the child with the bath" (James 1981 [1890]: 352). Rather, as this chapter has demonstrated, both authors retain agency for the individual via a psychological explanation of knowledge and morality formation. As such, their compatible views can provide a framework for a viable alternative to the concept of the self that is currently employed in IPE. The appeal of such a framework is explored in the next chapter.

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<sup>352</sup> See James 1880: 442; Smith 1976 (1790), III.i.2-3.



**CHAPTER FOUR: POST-*METHODENSTREIT* APPROACHES TO  
THE SELF**

#### 4a) Introduction

Economists', sociologists' and psychologists' ongoing engagement with Adam Smith is reflected by IPE theorists such as Andrew Gamble (1995), Richard Higgott (e.g., 2000; 2006), Craig Murphy and Roger Tooze (1991), Susan Strange (e.g., 1984) and Matthew Watson (e.g., 2005; 2007a; 2009; 2010), who invoke Smith's ideas in order to re-engage the subject field of IPE with its pre-disciplinary origins. For these authors, Smith's polymathic approach to political economy is the "central stream" from which IPE springs, a point that reminds us of its ability to host a variety of philosophical concerns and methodological approaches (Gills 2001: 236-240).

Often, however, this is overlooked. As Higgott (2006: 2; 19) suggests, there has been an undesirable bifurcation of the subject field in recent years along methodological lines, in which deductive, rationalist, International Relations-based North American IPE is set against its inductive, reflexive, critical British counterpart (Denemark and O'Brien 1997; Murphy and Nelson 2001; Tooze 1985; Cameron and Palan 2009). Benjamin Cohen (2007; 2008) has noted an antagonistic relationship between these research communities that he identifies as a set of "entirely different 'cultures' of IPE" that, he claims, can only engage in a "dialogue of the deaf" (Cohen 2008: 175). As Higgott and Watson (2008: 2-3; 11) argue, however, this separation of IPE into two hostile camps is a "...crude methodological caricature" that "...looks capable of reinvigorating something akin to the terms of the *Methodenstreit*, only this time as applied to IPE".

As Gamble (1995: 518-520) explains, the Austro-German *Methodenstreit* (battle of methods) occurred between Carl Menger and Gustav Schmoller during the late 1880s and early 1890s over the use of deductivist or inductivist methodology in explaining

economic phenomena. According to Gamble, Menger's victory prompted an enduring "disciplinary chasm" that resulted in politics and economics subsequently being interpreted as "...separate spheres, which needed to be analysed in quite separate ways".<sup>353</sup> The *Methodenstreit* thus stimulated the creation of the disciplines of economics, sociology and psychology and their self-consciously distinct research agendas and methodological commitments that were disseminated by newly established syllabuses, journals and academic associations.

This fragmentation of political economy into separate disciplines (Higgott 2006: 187) is also reflected in the selective approaches to Smith's thought on both "sides" of this deductive-inductive divide in the social sciences. As discussed in 1.2.1-4, the standard view of Smith is that put forward by Austrian and neoclassical economists who portray him as an advocate of selfishness and methodological individualism (e.g., Von Mises 1969; Stigler 1975), a view associated with Menger's methodology. It is perhaps important to note that Menger did not attribute this view to Smith. Indeed, he states that: "...there is not a single instance in A. Smith's work in which he represents the interest of the rich and powerful as opposed to the poor and weak" (Menger 1950 (1891): 223 cited in Rothschild 2001: 65). As noted, this view rests instead upon the analytical separation of the economic "Smith" of *WN* from the moral "Smith" of *TMS*, and deliberate concentration upon selected passages from the former book. As discussed in 1.3.1-3, this focus upon the *WN* "Smith" is challenged - albeit to a limited extent - by sociologists and economic historians from the other "side" of the post-*Methodenstreit* divide that attempt to rehabilitate the altruistic "Smith" of *TMS* through arguments regarding his purported susceptibility to misunderstanding and proclivity for obfuscation of his "real" meaning.

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<sup>353</sup> Gamble 1995: 518-520. See Blyth and Varghese 1999: 361; De Soto 1998: 89-92; Swedberg 1987a: 18; Tribe 1995: 74; Bernstein 2003: 42.

As argued in 1b, these accounts are as inaccurate as those they seek to challenge, as they also reiterate the *Adam Smith Problem* whilst claiming, wrongly, that Smith deliberately invites misinterpretation. A different viewpoint is given by William Tabb (1999: 31), who argues that: “[t]he reason Adam Smith and other canonical writers are open to multiple and conflicting readings is that the interpretation of these texts is a struggle over the construction of the discipline”. Although I do not intend to explore the merits of Tabb’s argument here, it raises an important point. This is that contemporary authors’ appeals to a particular “Smith” are implicitly informed by the “side” of the post-*Methodenstreit* divide that their disciplines’ founders opted to join. Significantly, however, the originators of these “sides” - Menger and Schmoller - both viewed Smith as an advocate of individualism, self-interest and *laissez-faire*.

As “undisputable leader” of the Younger German Historical School and of the *Verein für Sozialpolitik* (Association for Social Policy), a group of economists dedicated to opposing *laissez-faire* policy, Schmoller was influential in shaping the notion of Smith as a dogmatic advocate of selfishness and free markets that gained popularity during the nineteenth century. Moreover, despite an apparent commitment to a socio-political methodology, Schmoller’s agreement with older German Historical School members as to the supposed credibility of the *Adam Smith Problem* also reflects the tendency to separate the “economic” from the “ethical” aspects of human behaviour that is ordinarily identified with marginalist accounts as provided by Menger.<sup>354</sup>

This tendency is compounded by other figures in the Younger German Historical School such as Max Weber.

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<sup>354</sup> Schmoller, G. (1907) Adam Smith. *Internationale Wochenschrift für Wissenschaft, Kunst und Technik*, pp.327-336, 373-378 cited in O’Brien 1992: 131; Montes 2004: 27, footnote 20; Haller 2004: 7; Tribe 2002: 28.

As is well known, Weber's is a seminal contribution to sociology. Less remarked upon is that he studied under Karl Knies - originator of the faulty "French connection" theory on Smith - whom Weber replaced as Professor of Political Economy at Heidelberg University in 1896 (Yagi 2005: 325-327). Arguably, Weber's (1978 [1922]) distinction between "formal rationality" and "substantive rationality" reflects Knies's and Schmoller's separation of the two "Smiths". To be sure, it helped compound the burgeoning division between the new disciplines of economics and sociology. As Hodgson (2001: 118-120) points out, following Menger, economists would: "...consider the rational behaviour of the individual, with given ends and circumstances". Following Weber, sociologists: "...would consider the manner in which culture may mould these ends". Certainly, it was during this period that: "...sociology backed off from the area of economics", as Richard Swedberg (1987a: 18) notes.

This divide was not immediately apparent in the US, however, where for a number of years its leading economists advocated the German Historical School's socio-political approach. Richard T. Ely, founder of the American Economic Association, was among a number of prominent US economists that advocated this method upon their return from German universities in the 1880s.<sup>355</sup> Indeed, Ely's advocacy of progressive activism and opposition to *laissez-faire* economics was central to the discipline in this period; as Tabb (1999: 117) notes, Ely's *Outline of Economics* (1893)<sup>356</sup> was the most widely used textbook in US universities' economics departments for the next forty years. In the long term, however, Simon Newcomb -

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<sup>355</sup> As Mason (1982: 391) notes, a number of prominent US economists of the period such as Simon N. Patten, Edmund J. James and Joseph F. Johnson returned from Germany "imbued...with a common doctrine". Sociologist Mead also visited Germany in the following decade, taking Schmoller's course on 'General or Theoretical Political Economy' during his stay at the University of Berlin between 1889 and 1891 (Hodgson 2001: 116).

<sup>356</sup> New York, NY: Macmillan.

Ely's opponent in the US version of the *Methodenstreit* - was arguably more influential.<sup>357</sup> Sharing Menger's opposition to interventionism, Newcomb additionally promoted the use of mathematics in order to rid economics of its socio-political overtones (Tabb 1999: 117). This ongoing separation of economics from politics marks an alignment of European and American approaches that was aided by Lionel Robbins' (e.g., 1935) adoption of the Austrian method for British economics, and which in turn influenced the emerging neoclassical orthodoxy in the US (Tabb 1999: 117; Hodgson 2008: 83; Hodgson 2001: 207-208). As Hodgson (2001: 209) states: "[w]hen Paul Samuelson (1947, 1948) re-laid the foundations of postwar neoclassical economics and published his best-selling textbook,<sup>358</sup> Robbins' definition of economics was adopted".

As discussed in 1.2.2, Samuelson's canonical account continues to dominate economics and also mainstream interpretations of Smith's work. The continued influence of this view, based upon Viner's (1928) assumption that the *WN* "Smith" is separable from and superior to the *TMS* "Smith", reflects the ongoing ascendancy of post-*Methodenstreit* assumptions regarding the separable nature of economic from other forms of behaviour. Indeed, it is arguable that the reductionist lens through which Samuelson and other neoclassical authors such as Friedman (e.g., 1970 [1953]), Schumpeter (e.g., 1994 [1954]) and Stigler (e.g., 1975) present Smith owes as much to Schmoller et al's separation of the two "Smiths" in the *Adam Smith Problem* as it does the catallactic separation of economics from politics that marginalists such as Menger (e.g., 1850 [1951]) advocate.

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<sup>357</sup> The US version of the *Methodenstreit* occurred between 1884 and 1886 (Tribe 2003: 239-241).

<sup>358</sup> Samuelson, P. A. (1947) *Economics: An Introductory Analysis*. Cambridge, MA: Harvard University Press; Samuelson, P. A. (1948) *Economics: An Introductory Analysis*. New York, NY: MacGraw-Hill.

To be sure, orthodox IPE theorists' conceptual separation of economics and politics and preference for the former discipline's methodology continues to reflect this approach (Murphy and Tooze 1996: 682). Yet, as Watson (2005: 5-6) suggests, critical IPE theorists have also: "...tended to import assumptions about fundamentally rational economic behaviour from the neoclassical tradition that they would otherwise align themselves against". This, he argues, is demonstrated by non-reflexive reiterations of the dominant "states and markets" approach by critical IPE theorists that implicitly reproduces neoclassical assumptions of rationality. In order to problematise this, Watson and Higgott suggest that it is necessary to consider IPE not in terms of opposing methodological factions based upon location, as Cohen does, but in terms of a classical political economy approach that pre-dates the "deductive-inductive divide" that has pervaded the social sciences since the *Methodenstreit* (Watson 2005: 27; Higgott 2006: 9; Higgott 2007: 162).

Writing around one hundred years before this period ensures Smith's transcendence of this divide. However, his ability to do so is based less upon chronology but on the consistently holistic method with which he approaches the study of social phenomena, a point discussed in 3.3.2. Indeed, as Hodgson (2001: 5) notes: "[w]hile Adam Smith attempted judiciously to blend induction with deduction, at the same time he sought general principles and laws". Yet, as established, Smith does not do so in order to posit a universalist teleology, but to inquire into the possible existence of these principles and laws in terms of the ongoing development of systems of morality, economics, justice, science, aesthetics and language, without ever isolating these areas of life.

As also noted, Smith's approach therefore bears comparison to William James' philosophical psychology, a seminal contribution made during the period in which the *Methodenstreit* occurred.<sup>359</sup> As Michael Lawlor (2006: 324) suggests: "James moved easily between disciplines and subjects, and refused to respect traditional academic boundaries". Certainly, psychologists, sociologists and political theorists are increasingly recognising the relevance of James' contribution.<sup>360</sup> As I suggested in the previous chapter, James's ideas are also of vital significance to IPE. Indeed, James's and Smith's pre-disciplinary approaches avoid the post-*Methodenstreit* propensity to conceptualise each social science discipline as, in Susan Strange's memorable phrase: "...a closed shop, a self-perpetuating secret society of the initiated".<sup>361</sup> This is in contrast to Cohen (2008: 177), who argues that IPE theorists: "...should temper the temptation to address the totality of human experience".

In my view, this impasse demonstrates that intellectual space exists within IPE for a Smith-James understanding of the individual in society. As I argue in the Conclusion to this thesis, a clearer understanding of these thinkers enables IPE theorists to reflect upon their subject field's interdisciplinary character minus the subjectivism and rationalism of marginalist and neoclassical economics that informs orthodox IPE and the overly normative approaches typically associated with critical IPE.

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<sup>359</sup> See Swedberg 1987a: 12; Twomey 1998: 433; Goodman 2002: 30; Haakonssen and Winch 2006: 372. As Hodgson (2001: 99-108) explains, there was a British *Methodendiskurs* between Alfred Marshall and historicists William Cunningham and Herbert Foxwell, which was "a pale imitation" of the Austro-German *Methodenstreit*, owing to Marshall's failure to reject historical specificity in economics. Despite this, Marshall's theoretical approach became the dominant mode of economic thought in Britain prior to Robbins' tenure at the London School of Economics owing in part to his successful rejection of the historical school's naïve empiricism.

<sup>360</sup> See Danziger 1997; Barbalet 2008; Rorty 1982. As discussed in 3.1.3, James's seminal influence upon contemporary psychology is well noted in the field (see Suckiel 2003; Danziger 1997).

<sup>361</sup> Strange 1984: ix; Strange 1994: 20; Strange 1991: 33; Gamble 1995: 517; Underhill 2000: 805-806.



In order to prepare the ground for this argument, in 4.1.1-3, I discuss the ongoing legacy of the *Methodenstreit* in terms of the continued dominance of rationalist approaches in the social sciences, which, I suggest, influences behavioural economists as well as orthodox and critical IPE theorists. In 4.2.1-2, I discuss other attempts to bridge the perceived methodological gap in the social sciences made by new institutionalist economists and their “old” institutionalist counterparts who endeavour to utilise particularistic interpretations of Smith and James via the thought of Menger and Thorstein Veblen. In 4.3.1-3, I discuss constructivist efforts to overcome the divide, including those of critical realist, poststructuralist, social constructivist and neopragmatist theorists. This demonstrates the influence of figures such as Mead and Charles S. Peirce - whose views are also incorrectly conflated with those of Smith and James - on these flawed attempts to overcome the assumed divide. As such, I provide an explanation for and an alternative to these theorists’ inability to transcend the disciplinary divide and to provide a satisfactory account of agency. As I suggest, this failure owes much to an implicit adherence to the post-*Methodenstreit* separation of politics and economics and its subsequent institutionalization behind disciplinary boundaries, and the related tendency to implicitly identify oneself within such theoretical traditions via one’s methodological approach. In my view, that these attempts often utilise mistaken conceptualizations of Smith or James demonstrates the pressing need for clearer understanding of their thought. In addition, this understanding facilitates the contextualisation of IPE within the social sciences and highlights its unique ability to provide a non-reductive account of agency that transcends post-disciplinary methodological barriers.

## Part One: Rationalist approaches

### 4.1.1) Rational choice and the two “IPEs”

Cohen’s division of IPE into rationalist and cognitive “factions” along geographical lines is based upon claims to the subject field’s alleged intellectual origins:

The American school...takes its inspiration from the norms of conventional social science as developed since the late nineteenth century...The British school’s roots, by contrast, go back...to the classical political economy of the eighteenth century and its links to the study of moral philosophy (Cohen 2008: 165; 174-176).

Cohen’s (2007: 197) view that IPE has existed “for less than half a century” - allied to his view that the subject field: “...is about the complex linkages between economic and political activity at the level of international affairs” - intimates a preference for the “American school” that he perceives. Of more importance to my argument is that his identification of two distinct research communities in IPE, each with their own “boundaries, rewards, and careers”, arguably reflects the broader propensity within the social sciences to bifurcate its disciplines into opposing groups. This tendency was introduced by the Austro-German *Methodenstreit*, a debate over appropriate methodological approaches in the social sciences primarily associated with the arguments of Gustav Schmoller and Carl Menger, leading figures in the Younger German Historical School and the newly emergent Austrian school of economics. As Keith Tribe (1995: 74) explains, whereas Schmoller advocated a historical, comparative approach in order to discern the general laws of economic development, Menger sought to “...clarify the theoretical basis of economics by reducing propositions to their most abstract, ideal-typical form”.

These methodological preferences are respectively associated with later sociologists' and economists' approaches, and may also be identified in orthodox and critical approaches to IPE. As with the erroneous separation of the two "Adam Smiths", the ongoing reiteration of this division in disciplinary journals, key texts and syllabuses maintains the impression that there is an irrevocable tension between those on either side of the alleged methodological divide. As a more accurate appraisal of Smith's work demonstrates, however, this need not be the case. Indeed, Smith demonstrates that it is not necessary to separate aspects of social phenomena in order to assess them effectively. In contrast, Menger's catallactic separation of economic behaviour from other forms of conduct is repeated by authors such as Max Weber (e.g., 1978 [1922]), whose seminal contribution to sociology helped shape the methodological commitments of subsequent contributors to this subject field. As such, the post-*Methodenstreit* rationalist separation of economics and politics that is usually associated with mainstream economics is as deeply embedded within sociology, despite the latter discipline's emblematic commitment to socio-political methodology.

Arguably, the status of rational choice theory as "the universal grammar of social science" supports this view.<sup>362</sup> Rational choice theory developed out of public choice theory, collective action theory and game theory, and its conceptualisation of individual agency as "rational economic man" is derived from John Stuart Mill's (1992 [1844]) notion of the autonomous economic individual (Blyth 2002: 299; Blyth and Varghese 1999: 351-353; Tabb 1999: 114).<sup>363</sup> In addition to its employment by

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<sup>362</sup> Boulding, K. E. (1969) 'Technology and the Changing Social Order'. In Popenoe, D. (ed.) *The Urban Industrial Frontier: Essays on Social Trends and Institutional Goals in Modern Communities*. New Brunswick, NJ: Rutgers University Press, p.131 cited in Swedberg 1987b: 121. See also Blyth 2002: 299; Coleman 1994: 171; Higgott 2006: 23; Higgott 2007: 162.

<sup>363</sup> As Donald Green and Ian Shapiro (1994: 13) explain, there is no single rational choice theory, however assumptions associated with rational choice approaches include: "...utility maximisation, the structure of preferences, decision making under conditions of uncertainty, and...the centrality of individuals in the explanation of collective outcomes".

economists, this conceptualisation of agency is increasingly utilised by sociologists as an explanation for forms of activity other than that categorised by them and others as “economising” behaviour (Hodgson 1998: 189). Interestingly, Milan Zavirowski (2000: 448) notes, rational choice sociologists Raymond Boudon (1998) and Karl-Dieter Opp (1989) refer to Smith as “the spiritual father of rational choice theory...”<sup>364</sup> This is incorrect, as highlighted in 1.2.2. It is significant, however, that, whilst Smith might reject economics Nobelist Gary Becker’s<sup>365</sup> argument that: “...the economic approach is a comprehensive one that is applicable to all human behaviour” it is a view that is accepted by many sociologists whose methodological commitments might ordinarily be associated with opposition to such ontological reductionism.<sup>366</sup>

This demonstrates an implicit acceptance of orthodox economists’ rationalist separation of politics from economics within sociology, despite claims to a more sophisticated explanation of social phenomena than that held by their economist counterparts. As James Coleman (1994: 167-172) argues, sociological rational choice theorists attempt to provide such explanations by combining theoretical principles from sociology and economics. However, despite replacing suppositions about perfect markets with a sociological view of institutions, neoclassical assumptions regarding methodological individualism and rational utility maximisation are retained. Arguably, rational choice sociologists’ attempt to re-engage economics and sociology on the former discipline’s terms is also reflected in IPE. As Higgott and Watson note:

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<sup>364</sup> Boudon, R. (1996) ‘The “Cognitivist Model.”’ *Rationality and Society*, 8 (2): 123-151; Opp, K-D (1989) *The Rationality of Political Protest. A Comparative Analysis of Rational Choice Theory*. Boulder, CO: Westview Press, cited in Zavirowski 2000: 464.

<sup>365</sup> Becker was awarded the Sveriges Riksbank (Bank of Sweden) Prize in 1992 “...for having extended the domain of microeconomic analysis to a wide range of human behavior and interaction, including nonmarket behaviour” ([http://nobelprize.org/nobel\\_prizes/economics/laureates/1992](http://nobelprize.org/nobel_prizes/economics/laureates/1992)).

<sup>366</sup> Becker 1976: 8. For Becker: “[t]he combined assumptions of maximizing behaviour, market equilibrium, and stable preferences, used relentlessly and unflinchingly, form the heart of the economic approach as I see it” (*Ibid*, 5; see also Eichengreen 1998: 993; Hodgson 1998: 189). Becker (e.g., 1992; 1996) has attempted to account for endogenous preferences in terms of social groups and habit. However, this effort is hindered by his ongoing definition of agency as rational utility maximization.

[w]henever the suggestion of unifying a subject field arises within the social sciences, the debate quickly becomes one of the extent to which others should open themselves up to the methods of economics by incorporating rational choice theory as the primary engine of enquiry. This is the source of the ‘objective’, ‘conventional’ modes of analysis that Cohen attributes to American IPE (Higgott and Watson 2008: 7-8).

According to Higgott and Watson, Cohen’s preference for rational choice theory echoes International Relations theorist Robert Keohane’s reduction of IPE to “the handmaid of the intellectual preferences of economics” (*Ibid*, 9-10). Certainly, Keohane (1999 [1982]: 151) employs rational choice theory in order to attempt: “...to develop models that help to explain trends or tendencies towards which patterns of behaviour tend to converge”. As Higgott and Watson point out, Keohane’s insistence upon avoiding “diversionary philosophical construction” in IPE reflects Schumpeter’s “...avowedly post-Methodenstreit perspective celebrating the cleansing of the core of economics of everything but deductive-rationalist method”.<sup>367</sup> As discussed in 1.2.1, Schumpeter’s separation of the *WN* “Smith” from the *TMS* “Smith” - and selective focus upon particular sections of the former book - is influential upon mainstream interpretations of his thought that erroneously present Smith as an early advocate of “rational economic man” (e.g., Stigler 1978).

In contrast, critical IPE theorists ostensibly oppose their orthodox counterparts’ preference for rational choice owing to its “ontological irrationalism”.<sup>368</sup> Indeed, such is the apparent hostility towards the theory among these authors that, according to Watson (2005: 17; 27), any notion of its potential incursion into the subject field: “...evokes fears of the colonization of all social scientific enquiry by the crudest variant of neoclassical economics” among them. As Watson (2008: 54) also explains, critical IPE (e.g., Denmark and O’Brien 1997; Murphy and Nelson 2001) is often

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<sup>367</sup> Keohane 1988: 382 cited in Higgott and Watson 2008: 9-10.

<sup>368</sup> Hay 2006b: 90. See also Berry 2007: 7; Hodgson 1998: 189; Lewin 1996: 1319; 1293.

presented in terms of a self-consciously “oppositional logic”. However, despite their rejection of rationalist ontology, critical IPE theorists appear as amenable to the conceptual separation of “economic” from other forms of behaviour as their orthodox counterparts, as is evinced by the ongoing use of the “states and markets” framework in their analyses.<sup>369</sup> As Watson suggests:

[e]ven though the British school may reject rational choice theory as a formal methodology, the theoretical perspectives that dominate work in this tradition still conceptualise individual conduct on the basis of assumptions about rational behaviour. Despite the identification of two schools...they come together in underlying assumptions about rationality (Watson 2005: 27).

As a consequence, alternative theories of action that are an integral feature of political economy debates tend to be overlooked in IPE, in favour of the neoclassical conception of rational action (*Ibid*, 6).

The recurrent absence within critical IPE of the elucidation of an alternative model of agency to that of the mainstream accounts they criticise is therefore better explained. As such, the need for this model to be replaced by a political economy approach that pre-dates the ongoing, albeit implicit, influence of rationalist assumptions set down during the *Methodenstreit* is also readily apparent.

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<sup>369</sup> As Watson points out, this is characteristic of Marxist, feminist, mercantilist, ecologist, neo-Gramscian and poststructuralist IPE as well as liberal accounts. See e.g., Levine 1998; Kuiper 2006; Tame 1978; Frierson 2006; Cox 1987; Brown 1997; Walter 1996; Watson 2007: 1.

#### 4.1.2) Rationalist separations of economics and psychology

Efforts to develop a sophisticated model of agency are made by behavioural economists, who attempt to combine cognitive psychology and economics via a rational choice framework. As James Coleman (1994: 167) explains, behavioural economists examine: "...psychological anomalies that cause individuals to deviate from rational action". This avowedly rationalist approach develops John Watson's (1913) behaviourist psychology in which it is claimed that social conditioning is a more important factor upon behaviour than instinct. As Hodgson (2003a: 551) points out, behaviourism gained credibility in the period following the *Methodenstreit* owing to its positivist methodology. This approach reflects experimental psychology's origins in the mid-nineteenth century that began with the psychophysical experiments of Gustav Theodor Fechner and the timing of nervous transmission by Hermann von Helmholtz. Fechner argued that mental phenomena could be measured by finding quantitative relationships between material stimuli and mental sensations, an approach continued by Wilhelm Wundt, Helmholtz's student, whose establishment of the first psychology laboratory at the University of Leipzig in 1879 signalled the institutionalisation of the newly emergent discipline (Danziger 2000: 331). As Luigino Bruni and Robert Sugden (2007: 151) explain:

Fechner's work was based on a regularity found by the physiologist Ernst Heinrich Weber: the change in magnitude of a given stimulus that produces a just noticeable change in sensation is proportional to the total stimulus ...Fechner used this regularity as a method of measuring the magnitude of sensations: according to the Fechner-Weber law, if stimulus increases geometrically, sensation increases arithmetically (Bruni and Sugden 2007: 151).

Fechner's methodological commitment to the quantifiable nature of perception, sensation and thought reflects the growth of supposedly "value-free" knowledge across the newly emergent social sciences during this period (Coon 2000: 85-86; Leary 1980: 301-302; Mirowski 1989: 354). As Hodgson (2003: 140) notes, once these "scientific" norms were put in place in the newly emergent discipline of economics, "self-reinforcing standards for subsequent research" arose, as: "[s]cholars seeking publication or promotion had a better chance of success if they conformed to these norms".

However, these disciplinary boundaries took some time to become established. Indeed, Fechner's views are reflected in the marginalist economics of Francis Edgeworth and William Stanley Jevons (Lewin 1996: 1297). As Bruni and Sugden (2007: 150-151) explain, for Edgeworth and Jevons: "...the psychology of sensation was an essential part of economics", as they viewed the law of diminishing marginal utility - one of the fundamental principles of neoclassical economics - as a "special case of this more general law of psychology". This is perhaps unsurprising, owing to Fechner's development of Daniel Bernoulli's (1738) separation of objective price from the subjective utility gained by the individual.<sup>370</sup> Certainly, Fechner's formulation of the hypothesis of diminishing sensitivity is invoked by Edgeworth in his thesis that: "[t]he rate of increase of pleasure decreases as its means increase".<sup>371</sup>

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<sup>370</sup> Bernoulli, D. (1954 [1738]) 'Exposition of a New Theory on the Measurement of Risk'. *Econometrica*, 22 (1): 23-36, cited in Heukelom 2008: 3-5.

<sup>371</sup> Edgeworth, F. Y. (1967 [1881]) *Mathematical Psychics*. New York, NY: Kelley, pp.59-62, cited in Bruni and Sugden 2007: 152.



Similarly, as Ross Robertson points out, Jevons's work on the utility theory of value is influenced by the statistical psychophysiology of Richard Jennings, whose *Natural Elements of Political Economy* (1855) made: "...a first important statement of some of the relationships between economics and psychology".<sup>372</sup> As Harro Maas (2005: 621) notes, this approach enables Jevons to advocate that: "...the political economist could attain measurement and precision by making use of the inductive methods of statistics and experiments of ordinary use in the natural sciences". This also facilitates Jevons' analytical distinction between an individual's "economic" self and their "moral" self:

...any particular person must be regarded as governed by various considerations of which wealth is only one. But then there are principles governing the accumulation of wealth. These principles are totally different from the principles of morals.<sup>373</sup>

As such, as Watson notes: "[i]n contrast to his classical forebears...Jevons believed it to be improper for economic analysis to be concerned with the 'higher motives' of life within society: [for Jevons] '[i]t is the lowest rank of feelings which we here treat'".<sup>374</sup> As is more widely known, for Jevons, economic behaviour is understood in terms of the Benthamite focus on the pursuit of pleasure and the avoidance of pain (Bruni and Sugden 2007: 150-154). Jevons connects consumption to production via this understanding of pleasures and pains as the governing motives of individuals' economic actions.<sup>375</sup> Indeed, for Jevons, the laws of supply and demand are founded

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<sup>372</sup> As Robertson (1951: 234) argues, the influence of Jennings upon Jevons's work was at least equal to that of Jeremy Bentham.

<sup>373</sup> Jevons, W. S. (1875-6) 'Lecture 1: Definitions of Political Economy', in Black, R. D. C. (ed.) *Jevons 1972-81: Papers and Correspondence of William Stanley Jevons*. London: Macmillan, Volume IV, pp.3-8, cited in Sigot 2002: 266.

<sup>374</sup> Jevons 1970 (1871): 93 cited in Watson 2005: 54.

<sup>375</sup> As Maas explains, according to Jevons, each worker automatically decides whether or not to supply labour based upon a consideration of the merits of a marginal increment in the "irksomeness" of work in order to receive a parallel increase in the pleasure of consumption (Maas 2005: 639).

on the “laws of human enjoyment”, wherein “[a] balance of utility on both sides will lead to an exchange” (Jevons 1862 [1866]: 284; Sigot 2002: 275).

In contrast, William James attached “much greater significance to...unlearned acts and reflexes as keys to psychological explanation”, as Zenas Clark Dickinson (1919: 395) points out.<sup>376</sup> Indeed, James’ preference for psychopathology over psychophysiology can be discerned in the chapters on “The Consciousness of Self” and on “Hypnotism” in *PP*, and in James’s 1896 Lowell Lectures, wherein he discusses the analysis of dreams, hypnotism, automatisms, hysteria, and multiple personality (Wozniak 1994: vii).<sup>377</sup> More famously, this is also evident in his chapter on “Will” in *PP*, in the section entitled “Pleasure and Pain as Springs of Action”. In opposition to psychological hedonists such as Alexander Bain, yet also to Jevons’s experiments on the exertion of muscular force, published in 1870, which closely relate to his theory of labour (Maas 2005: 621), James argues that it is unrealistic to assume that behaviour is always oriented towards the hedonic optimum:

[i]mportant as is the influence of pleasures and pains upon our movements, they are far from being our only stimuli...and those persons obey a curiously narrow teleological superstition who think themselves bound to interpret them in every instance as effects of the secret sollicitancy of pleasure and repugnancy of pain (James 1981 [1890]: 550-551 cited in Lewin 1996: 1299).

As noted, however, orthodox economists, sociologists and critical IPE theorists continue to utilise rationalist notions in their accounts of agency. Arguably, this is aided by the deliberate separation of psychology from economics made by authors from the latter discipline since the beginning of the twentieth century. As Shira Lewin points out, in their varied approaches, John Watson (1913), Roy Hicks and John Allen

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<sup>376</sup> Dickinson, Z. C. (1919) ‘The Relations of Recent Psychological Developments to Economic Theory’. *Quarterly Journal of Economics*, 33 (3): 377-421 cited in Lewin 1996: 1299. See also Haakonssen and Winch 2006: 372; Twomey 1998: 433.

<sup>377</sup> As Danziger (1997: 147) notes, James’s discussion of multiple selves in *PP* is reflected in contemporary psychopathological discoveries on multiple personality.

(1934), Paul Samuelson (1938) and Milton Friedman (1953) are prominent among those that accomplished this intellectual marginalisation so successfully that it is now customary to view economics independently of psychological assumptions, despite its notion of agency being deduced from Fechner's views on human wants (Bruni and Sugden 2007: 150; Hogarth and Reder 1987: 1).<sup>378</sup>

As suggested, this is an approach that James rejects.<sup>379</sup> Indeed, according to Michael Lawlor (2006: 342), James's refusal to consider individuals as figures that constantly select rationally optimal behaviour "forcefully demonstrates" that rational choice theory:

...can at best be only part of the inquiry into human social behaviour...After decades of growing influence across the social sciences, we can now see that the insight to be gained from neoclassical choice theory itself exhibits diminishing returns (Lawlor 2006: 335, footnote 1).

Despite this, rationalist approaches to behaviour continue to dominate the social sciences.

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<sup>378</sup> Lewin also includes Vilfredo Pareto (Pareto, V. [1953 (1901)] 'On the Economic Principle: A Reply to Benedetto Croce'. *International Economic Papers*, 5: 58-102); Eugene Slutsky (Slutsky, E. [1972 (1915)] 'On the Theory of the Budget of the Consumer.' In Ekelund, R. B., Furubotn, E. G., Gramm, W. P. [eds.], *The evolution of modern demand theory*. Lexington, MA: Lexington Books, pp.189-218); and Ian Little (Little, I. M. D. [1949] *A Reformulation of the Theory of Consumer's Behaviour*. Oxford Economic Papers, 1 [1]: 90-99) in this list.

<sup>379</sup> James' admiration for Fechner is reserved for his spiritual account of consciousness rather than for his psychophysical experiments (See James 1987 [1909], Lecture IV, 'Concerning Fechner,' pp.690-710).

#### 4.1.3) Rationalist reconnections of economics and psychology

Behavioural economists Amos Tversky and Daniel Kahneman (e.g., 1979; 1982) attempt to challenge the neoclassical descriptions of rationality upon which rational choice theory is based by reintegrating psychology and economics via a subjective account of utility.<sup>380</sup> In contrast to earlier behavioural psychologist Ward Edwards (e.g., 1954; 1961),<sup>381</sup> who claims that individuals make rational decisions consistent with the predictions of normative theory, Tversky and Kahneman (1974) argue that individuals' abilities to make such decisions are impaired by the "heuristics and biases" that they employ when processing new information. However, Tversky and Kahneman retain neoclassical economists' implicit use of Fechnerian psychophysics. As Floris Heukelom (2006: 18) points out, this is demonstrated in their distinction between normative and descriptive theory, an approach that is extended by prescriptive behavioural economists such as Richard Thaler and Cass Sunstein, who advocate effective "framing" of issues by policymakers in order to encourage individuals to behave in a socially optimal manner. According to them: "[f]raming works because people tend to be somewhat mindless, passive decision-makers" (Thaler and Sunstein 2008: 37).

To my mind, Thaler and Sunstein's notion of policymakers as "choice architects" demonstrates the pertinence of Colin Hay's (2005: 104) sardonic question which asks: "...what sense does it make to speak of a rational actor's *choice* in a context which is assumed to provide only one rational option?" To be sure, as with the neoclassical assumptions of agency that behavioural economists claim to challenge, this approach

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<sup>380</sup> Kahneman was awarded the Sveriges Riksbank (Bank of Sweden) Prize in Economic Sciences in Memory of Alfred Nobel for 2002 for: "...for having integrated insights from psychological research into economic science, especially concerning human judgment and decision-making under uncertainty" ([http://nobelprize.org/nobel\\_prizes/economics/laureates/2002/](http://nobelprize.org/nobel_prizes/economics/laureates/2002/)).

<sup>381</sup> Edwards, W. (1954) 'The theory of decision making'. *Psychological Bulletin*, 41: 380-417; Edwards, W. (1961) 'Behavioral decision theory'. *Annual Review of Psychology*, 12: 473-498.

is in contrast to James's and Smith's accounts of self-determined individuals. Indeed, Thaler and Sunstein's "libertarian paternalism" arguably reflects more closely the insidious "man of system" and moral interventionism of the Common Sense school that Smith warns against (e.g., Smith 1976 [1790], VI.ii.2.17), as well as a fixed teleology that James (e.g., 1920: 409) consistently rejects. Certainly, behavioural economists' use of psychophysics and mathematical modelling of behaviour ensures its proximity to the tenets of mainstream economic theory. Indeed, as Kahneman (2003: 1469) states: "[t]heories in behavioral economics have generally retained the basic architecture of the rational model, adding assumptions about cognitive limitations designed to account for specific anomalies".<sup>382</sup>

This is perhaps less radical than Herbert Simon's (e.g., 1996) attempted rejection of orthodox assumptions regarding the optimally informed "rational economic man" in favour of: "...a creature of bounded rationality using heuristic search to find satisficing - 'good enough' - courses of action".<sup>383</sup> Simon (1992) adds to this notion his concept of "docility" in order to challenge mainstream economists' inability to account for altruistic activity:

Docile people learn readily in a social setting, and tend to acquire socially approved cognitive behaviours and beliefs in matters of fact and value... docility implies belief legitimated by social processes... rather than belief based on self-evaluated empirical evidence (Simon 1992: 75).

As Gerry Kerr (2007: 261) explains, three factors guide individuals' activities in Simon's behavioural economics approach: limited alternatives, the misalignment of

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<sup>382</sup> Kahneman, D. (2003) 'Maps of Bounded Rationality: Psychology for Behavioral Economics'. *American Economic Review* 93 (5): 1449-1475 cited in Sent 2004: 749, footnote 21.

<sup>383</sup> Simon, H. A. (1996) *Models of My Life*. Cambridge, MA: The MIT Press, p.364 cited in Oakley 2002: 170. Simon was awarded the Sveriges Riksbank (Bank of Sweden) Prize in Economic Sciences in Memory of Alfred Nobel for 1978: "...for his pioneering research into the decision-making process within economic organizations" ([http://nobelprize.org/nobel\\_prizes/economics/laureates/1978/](http://nobelprize.org/nobel_prizes/economics/laureates/1978/)).

individual and organisational goals, and the limits on knowledge. According to Kerr, these factors: "...are essentially the applied tenets of William James's psychology".

James (1981 [1890]: 136) does note in *PP* that individuals utilise habit in order to simplify activities and to partake in a more efficient use of energy. As he explains: "[h]abit diminishes the conscious attention with which our acts are performed". However, as with his notion of the "present *acting* self" in *APU*,<sup>384</sup> James clearly demonstrates his view that whereas one's receipt of sense data is involuntary, one's organization of it is not:

...the mind is at every stage a theatre of simultaneous possibilities. Consciousness consists in the comparison of these with each other, the selection of some, and the suppression of the rest by the reinforcing and inhibiting agency of attention... The mind, in short, works on the data it receives very much as a sculptor works on his block of stone (James (1981 [1890]: 288)).<sup>385</sup>

In contrast to Kerr's argument, therefore, James' view is very different from Simon's passive account of agency, in which individuals' "...thinking capacities are not anywhere near a match for the complexities of the situations they have to cope with".<sup>386</sup> As discussed in 3.2.2, James echoes Smith's successful retention of agency whilst avoiding any collapse of the individual and society that Simon's account appears to involve.<sup>387</sup>

This is significant since John Odell, former editor of *International Organization*, the journal most closely associated with orthodox IPE (Murphy and Nelson 2001: 394), views Simon's bounded rationality concept as a variant of rational choice theory that

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<sup>384</sup> James 1977 (1909): 344, footnote 8 [italics in original].

<sup>385</sup> *Ibid*, 1166. As Richard Gale (1997: 59) points out: "James assumes that it is causally determined both which ideas enter consciousness and whether an effort is made to attend to one of them to the exclusion of its competitors".

<sup>386</sup> Simon, H. A. (1986) 'The failure of armchair economics'. *Challenge*, 29: 18-25, p.23 cited in Oakley 2002: 168.

<sup>387</sup> See James 1981 (1890): 550-551; Barbalet 2008: 808; Bruni and Sugden 2007: 150-154; Horwitz 2003: 267-268; Jevons 1866 (1862): 284; Lewin 1996: 1296; Maas 2005: 639; Smith 1980, *HoA*, II.12.

ought to be utilised in IPE in order to understand how economic policy decisions are made and can be improved. In addition, Odell (2002: 182) suggests that: “[t]he bounded rationality premise could be the foundation for generating a new, more unified and more valid body of IPE knowledge bridging gaps between today’s classic rationalists, idea analysts, and constructivists”. Deborah Elms also aims to incorporate behavioural economics into IPE. As she points out, IPE theorists:

...discount psychological insights about human behavior for reasons of methodology. We favor parsimony over chaos... [However,] continuing evidence drawn from psychology suggests that individuals rarely, if ever, actually behave like our models suggest (Elms 2008: 240).

For Elms, individuals repeatedly reject Pareto-improving outcomes due to notions of fairness, and points to Matthew Rabin’s (1993) attempt to incorporate this in formal economic models as a way forward for a more sophisticated account of agency in IPE (*Ibid*, 256). However, Rabin’s notion of “reciprocal altruism” arguably confuses social interaction with altruism as he offers an overly social account of agency in which individuals’: “...willingness to help seems highly contingent upon the behaviour of others...” (Rabin 1993: 1283-1284). In addition, Rabin (1998, 12–13) argues: “[m]ainstream economics employs a powerful combination of methods...I believe these methods are tremendously useful, and...we should strive to understand psychological findings in light of these methods”. Rabin therefore echoes Kahneman, Knetsch and Thaler’s (1986: S285) attempt to enhance mainstream economics with “more realistic behavioral assumptions” rather than challenge its flawed ontology more fundamentally. Indeed, as Kahneman, Knetsch and Thaler admit: “...adding complexity to the model of the agent generally makes it more difficult to derive unequivocal predictions of behavior from a specification of the environment ...there is a threat of a slippery slope” (*Ibid*, S299).

The deeply limited nature of the challenge to neoclassical accounts of rationality that authors such as Simon, Rabin, Kahneman, Knetsch and Thaler provide arguably reflects the continued dominance of rationalist assumptions in the social sciences. To be sure, as with rational choice sociologists' attempts to combine the methodology of sociology with a notion of agency derived from orthodox economics, these behavioural economists' attempts to utilise psychological explanations in order to model how decisions are made is informed by the similar assumptions about rationality as those accounts that they purport to challenge. Moreover, that this extremely limited alternative to "rational economic man" is seen as a way for IPE to incorporate more sophisticated accounts of agency by authors such as Elms and Odell demonstrates the intellectual space that exists for a pre-disciplinary account of agency within the subject field that a Smith-James framework of the self can provide.



## Part Two: Institutional approaches

### 4.2.1) New institutionalist economics

As Tabb (1999: 123) points out, new institutionalist economists attempt to develop a more sophisticated account of agency than that outlined above by characterising the development of social institutions as “...the intended or unintended consequences of rational individual behaviour”.<sup>388</sup> For new institutionalist economists such as Douglass North and Oliver Williamson, an example of this is given by Menger (1892) in his explanation of the emergence of money, in which, they suggest, he demonstrates the unintended development of social institutions from the self-interested actions of individual agents. As Hodgson notes, for Menger:

[o]nce convenient regularities become prominent, a circular process of institutional self-reinforcement takes place...this important core theme of an action-information loop is clearly evident, for example, in North’s (1981) theory of the development of capitalism [and] Williamson’s (1975) transaction cost analysis of the firm...(Hodgson 1998: 176).<sup>389</sup>

North (1986: 233) defines institutions as: “...the humanly devised constraints that structure political, economic, and social interactions”.<sup>390</sup> As Nixon Kariithi (2001: 375) notes, for North, institutional structures arise in order to simplify the interaction process, thus limiting the negative effects of individuals’ limited abilities to process information. As Kariithi also suggests, this view invokes Simon’s bounded rationality theory in which “...people impose constraints on interaction in order to structure exchange” (*Ibid*).

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<sup>388</sup> As James Coleman (1994: 167) explains, new institutionalist economics occupies a niche within sociological rational choice theory.

<sup>389</sup> North, D. C. (1981) *Structure and change in economic history*. New York City, NY: Norton; Williamson, O. E. (1975) *Markets and hierarchies, analysis and anti-trust implications: A study in the economics of international organization*. New York City, NY: Free Press, cited in Hodgson 1998: 176.

<sup>390</sup> North was awarded the Sveriges Riksbank Prize in Economic Sciences in Memory of Alfred Nobel in 1993: “...for having renewed research in economic history by applying economic theory and quantitative methods in order to explain economic and institutional change” ([http://nobelprize.org/nobel\\_prizes/economics/laureates/1993/press.html](http://nobelprize.org/nobel_prizes/economics/laureates/1993/press.html)). For North (1990: 3): “...institutional change shapes the way societies evolve through time and hence is the key to understanding social change”.

Williamson (1994: 81) also concurs with Simon's notion of bounded rationality, but rejects his benign view of individuals' "frailties of motive and reason" in favour of the selfish, opportunistic individual, which, Hodgson points out, provides the basis of his account (Hodgson 1994: 70). As Victor Nee (2003: 52-55) explains, Williamson develops Ronald Coase's notion of transaction costs, the central concept of new institutionalist economics, which, Coase argues, cannot be accounted for by neoclassical economists.<sup>391</sup> Indeed, in his Prize Lecture to the memory of Alfred Nobel in December 1991, Coase depicts Smith as the only theorist to invoke transaction costs in relation to the evolution of the institution of money:

Adam Smith pointed out the hindrances to commerce that would arise in an economic system in which there was a division of labour but in which all exchange had to take the form of barter. No-one would be able to buy anything unless he possessed something that the producer wanted. This difficulty, he explained, could be overcome by the use of money.<sup>392</sup>

It is accurate to suggest that Smith observes problems that arise when a universal unit of exchange is unavailable:

The butcher seldom carries his beef or his mutton to the baker, or the brewer, in order to exchange them for bread or for beer, but he carries them to the market, where he exchanges them for money, and afterwards exchanges that money for bread and for beer. The quantity of money which he gets for them regulates too the quantity of bread and beer which he can afterwards purchase. It is more natural and obvious to him, therefore, to estimate their value by the quantity of money, the commodity for which he immediately exchanges them, than by that of bread and beer, the commodities for which he can exchange them only by the intervention of another commodity; and rather to say that his butcher's meat is worth threepence or fourpence a pound, than that it is worth three or four pounds of bread, or three or four quarts of small beer. Hence it comes to pass, that the exchangeable value of every commodity is more frequently estimated by the quantity of money, than by the quantity either of

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<sup>391</sup> "These operations are often extremely costly, sufficiently costly at any rate to prevent many transactions that would be carried out in a world in which the pricing system worked without cost" (Coase, R. H. [1960] 'The Problem of Social Cost'. *Journal of Law and Economics* 3: 1-44, p.15 cited in Nee 2003: 52; Coase 1988: 15).

<sup>392</sup> Coase 1991 (online). Coase was awarded the Sveriges Riksbank Prize in Economic Sciences in Memory of Alfred Nobel in 1991: "...for his discovery and clarification of the significance of transaction costs and property rights for the institutional structure and functioning of the economy" ([http://nobelprize.org/nobel\\_prizes/economics/laureates/1991/](http://nobelprize.org/nobel_prizes/economics/laureates/1991/)).

labour or of any other commodity which can be had in exchange for it (Smith 1976 [1776], I.v.6).

However, Smith does not advocate the use of money in order to avoid such transaction costs. Nor does he suggest that its advent was due to the unintended consequences of self-interested behaviour, as orthodox accounts of the “butcher, brewer and the baker” passage from *WN* erroneously suggest, as noted in 1.2.3. Rather, in keeping with the absence of dogmatism that is characteristic of the rest of his *oeuvre*, Smith is simply observing that the institution of coined money developed over time and across cultures out of deliberate attempts to engender a non-perishable unit of exchange.<sup>393</sup> Certainly, Smith does not belong in the spontaneous-order liberal tradition of Menger and Hayek in which Austrian economist Steven Horwitz (2001: 83-85) places him, in which institutions such as the market are deemed entirely: “...the results of human action but not of human design”.

According to Horwitz, Menger’s “...theory of the origin of money serves as a paradigmatic spontaneous-order explanation”. For Menger (1892: 250):

...we can only come fully to understand the origin of money by learning to view the establishment of the social procedure, with which we are dealing, as the spontaneous outcome, the unpremeditated resultant, of particular, individual efforts of the members of a society, who have little by little worked their way to a discrimination of the different degrees of saleableness in commodities.

Menger suggests these individual efforts are motivated by self-interest: “...nothing may have been so favourable to the genesis of a medium of exchange as the acceptance, on the part of the most discerning and capable economic subjects, for their own economic gain...” (*Ibid*, 249) According to Horwitz (2001: 85) this: “...is

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<sup>393</sup> Smith gives as examples the use of salt, shells, dried cod, tobacco, sugar, hides or dressed leather, cattle, and nails used as mediums of exchange (Smith 1976 [1790], I.iv.3).

but a somewhat amplified statement of the Scots' invisible hand idea", a view echoed by Markus Haller (2000: 530), who argues that:

Menger's model for the explanation of social institutions can be considered as an intellectual inheritance of 18<sup>th</sup>-century Scottish social philosophy... According to David Hume, Adam Smith and Adam Ferguson, many social interactions are the result of people's actions, but not the result of their intentions or plans.

However, as discussed in 1.2.3, Smith's notion of the "invisible hand" does not refer to the unintended consequences of selfish behaviour. Rather, it demonstrates Smith's call for integrity and transparency in trade so that efficiency can be increased whilst the detrimental effects of unconstrained self-interest upon society might be eliminated. Furthermore, as I argue in 2.1.1-2.2.4, Smith's work is not synonymous with Scottish Enlightenment theorists such as Hume and Ferguson. This is significant, as new institutionalist and Austrian economists attempt to utilise a more sophisticated approach to Smith than their neoclassical counterparts in order to claim a move beyond reductionist accounts of agency. As Horwitz argues:

In *The Theory of Moral Sentiments* ([1759] 1976), the foundation of Smith's conception of human morality is the faculty of sympathy. Mengerian man is [similarly] understood to be moulded by the institutional environment in which he moves. Certainly Hayek [e.g., 1948] does not view human beings as...unconnected, narrowly self-interested maximizers... (Horwitz 2001: 91).

Coase (1976: 541) also contends that:

[i]t is wrong to believe, as is commonly done, that Adam Smith had as his view of man an abstraction, an "economic man," rationally pursuing his self-interest in a single-minded way. Adam Smith would not have thought it sensible to treat man as a rational utility-maximiser (Coase 1976: 541).

In addition, Coase rejects the *Adam Smith Problem*. However, whilst he is correct to suggest that there is no dichotomy between Smith's books, Coase's view that *WN* and *TMS* are consistent is based on his notion that Smith frequently invokes the negative

aspects of human nature. According to Coase (1976: 535) Smith regularly suggests that man is “...dominated by self-love, lives in a world of self-delusion, is conceited, envious, malicious, quarrelsome, and resentful”.<sup>394</sup> As discussed in 1.1.2, 2.1.1 and 2.3.3, Smith accounts for a broad range of dispositions, however his is a thoroughly optimistic view of human nature that does not require a rational, selfish individual as its theoretical base unit.<sup>395</sup> Indeed, Smith does not privilege “...the less agreeable qualities of human beings as being productive of good”, as Coase (1976: 545) contends, but rather individuals’ abilities to co-operate, sympathise, and retain self-command.<sup>396</sup> Coase’s view is more reminiscent of Mandeville’s utilitarian notion of the “natural” selfishness of individuals that leads to public utility that Smith (1976 [1790], VII.ii.4.6-7) rejects, a view arguably repeated in Menger’s account of money and Williamson’s notion of the opportunistic individual. Further, Coase (1991 [online]) reiterates the Austrian notion of the invisible hand:

A principal theme of *The Wealth of Nations* was that government regulation or centralised planning were not necessary to make an economic system function in an orderly way. The economy could be co-ordinated by a system of prices (the “invisible hand”) and, furthermore, with beneficial results.

Despite Coase’s claims regarding the *Adam Smith Problem* and rational economic man, his view of the “invisible hand” demonstrates similarities with canonical accounts of Smith’s views that are erroneously postulated as providing intellectual justification for individualism and doctrinaire free market policies. As such, this also highlights the broader failure of new institutionalist economists to move beyond their neoclassical counterparts’ accounts of agency. Indeed, as Coase (1984: 230) admits:

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<sup>394</sup> Specifically, this argument is intended to counter Viner’s (1928) erroneous detection of a “harmony of interests” in *TMS* that he interprets as referring to Smith’s advocacy of divine guidance. As discussed in 1.3.2, Viner is also mistaken.

<sup>395</sup> As discussed in 3.3.5, this modest meliorism is also a feature of William James’s pragmatism.

<sup>396</sup> However, as Dennis Rasmussen (2006: 312) points out: “Smith’s touchstone is the happiness of the individuals who make up a society, not some vague notion of ‘public happiness’”. Smith’s implicit rejection of Hutcheson’s mathematical utilitarianism, as discussed in 2.2.1, arguably confirms this.

“...new institutional economists build on a modified version of the maximizing assumption of neoclassical economics”.<sup>397</sup>

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<sup>397</sup> Coase, R. H. (1984) ‘The New Institutional Economics’. *Journal of Institutional and Theoretical Economics*, 140: 229-231, p.230, cited in Nee 2003: 51.

#### 4.2.2) “Old” institutionalist economics

In contrast to new institutionalist economists, “old” institutionalist economists such as Thorstein Veblen (e.g., 1919 [1898]) view “the market” as a socio-cultural mechanism. Interestingly, whilst new institutionalist economists attempt to utilise Smith, contemporary institutionalist economists such as Geoffrey Hodgson and Paul Twomey point to James’s influence on Veblen. As Twomey argues, in contrast to the “rather crude psychological framework” of the individual that underpins neoclassical accounts of economic agency, Veblen’s institutionalist conception of the self is informed by the conceptualization of the mind associated with the pragmatism of James and Charles S. Peirce (Twomey 1998: 437-444; 2003b: 164).

As is well known, James dedicated *WB* to Peirce. However, it is a mistake to conflate these theorists’ views. As Barbalet (2004: 338) explains, Peirce introduced the term pragmatism in ‘The Fixation of Belief’ (1877) and ‘How to Make our Ideas Clear’ (1878) as “...a logical method for going beyond formalism and abstraction”. James refers to these discussions in ‘Philosophical Conceptions and Practical Results’ (1920 [1898]), yet it was not until 1904, with his publication of ‘The Pragmatic Method’, that wider interest in pragmatism began to be established. According to Barbalet, this irritated Peirce, who wanted pragmatism: “...to be understood as a purely logical method unlike the psychological approach he saw in James’s work” (Barbalet 2004: 338). To be sure, Peirce renamed his version of pragmatism in 1905, calling it “pragmaticism”. As Robert Lane (2007: 252) points out, this represents a “modal shift” in Peirce’s thought towards a realist explanation of truth that he argues is obtainable only via empirical, scientific investigation.<sup>398</sup> As Michael Lawlor (2006: 331; 325) notes, Peirce (1958: 133) suggests that: “...there exists a fixed and ultimate

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<sup>398</sup> Peirce, C. S. (1905) ‘Issues of Pragmaticism’. *The Monist*, 15 (4): 481-499 cited in Lane 2007: 552.

point toward which a community of inquirers could and would, if pursued long enough, push the collective activity of science to the ‘one true conclusion’” (Peirce 1958: 133 cited in Lawlor 2006: 325; Hookway 1997: 159).

Like Peirce, James does not reject the notion of an objective world:

Ideas are so much flat psychological surface unless some mirrored matter gives them cognitive luster. This is why as a pragmatist I have so carefully postulated ‘reality’ *ab initio*, and why, throughout my whole discussion, I remain an epistemological realist (James 1987 [1911]: 925; See also James 1981 [1890]: 1172).

As Gerald Myers (1986: 294) notes, James recognises Peirce’s contribution in approaching the question “what is truth?” However, for James: “[r]ealities are not *true*, they *are*; and beliefs are true *of* them” (James 1987 [1911]: 925 [italics in original]). As such, truth must resonate with the individual: “[t]he ultimate test for us of what a truth means is indeed the conduct it dictates or inspires” (James 1920: 412). This is in contrast to Peirce’s teleological explanation, which James clearly opposes: “*The Truth*: what a perfect idol of the rationalistic mind!” (James 1907: 115 [italics in original])

As Alan Dyer (1993: 348) notes, Veblen attended Peirce’s tutorials on logic of scientific inquiry at Johns Hopkins University during the autumn of 1881, which had a discernible impact upon his evolutionary notion of socio-economic systems. As Robert Griffin explains, Veblen (1954: 176) agreed with Peirce’s advocacy of the development of an inductive methodology aimed at the achievement of an objective standard of knowledge. According to Peirce, this scientific process was the latest stage in the development of Western thought, succeeding the stages of “primitive



tenacity”, “authority”, and “reason, intuition and appeal to the natural order”.<sup>399</sup>

However, owing to Peirce’s limited application of pragmatism to science and mathematics, and associated rejection of socio-political factors (e.g., Peirce 1935 [1873]: 109), Veblen adapted James’s notion of habit (e.g., James 1979 [1896]: 116-126) to fit his institutionalist critique of capitalism (Griffin 1998: 742-754).<sup>400</sup>

According to Twomey: “James was not only aware of the personal significance of habits but also of their social implications. The stability of habits is a major contribution to the stability of society”. In order to support this view, Twomey cites *PP*, where James states that habit is:

...the enormous flywheel of society, its most precious conservative agent...It alone prevents the hardest and most repulsive walks of life from being deserted by those brought up to tread therein. It keeps the fisherman and the deck-hand at sea through the winter; it holds the miner in his darkness, and nails the countryman to his log-cabin and his lonely farm through all the months of snow (James 1981 [1890]: 121 cited in Twomey 1998: 438).

However, this passage does not support Twomey’s comparison of James and Veblen, as James is merely suggesting that a habit, once adopted, can aid efficient use of energy. As he notes in *PP*: “...habit simplifies the movements required to achieve a given result, makes them more accurate and diminishes fatigue” (James 1981 [1890]: 112). As such, the above passage merely indicates the useful nature of habit to these individuals and the society to which they contribute. As discussed in 3.3.3, this is consistent with Smith’s notion of the social utility of the division of labour (Smith 1978, *LJ [B]*, II.218). This is also consistent with James’s argument in *WB* in which

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<sup>399</sup> Interestingly, Peirce (1986: 252) illustrates this third stage of logic with a conflation of Hobbes and Smith, who, Peirce argues, put forward: “...the doctrine that man only acts selfishly...This rests on no fact in the world, but it has had a wide acceptance as being the only reasonable theory”. However, Smith does not suggest such a negative conception of human motivations, or hold a teleological notion of knowledge.

<sup>400</sup> Peirce, C. S. (1935 [1873]) *Collected Papers*. Cambridge, MA: The Belknap Press of the Harvard University Press; Veblen, T. B. (1954) *Essays in Our Changing Order*, edited by L. Ardzrooni, New York, NY: The Viking Press, cited in Griffin 1998: 742-754.

he notes that the person who has “pluck and will” can avoid “a sensualism without bounds” (James 1992 [1879]: 585) and thus develop greater moral strength.

This is not, however, similar to Veblen’s institutionalist explanation of the development of cultural conceptions, in which “...labour acquires a character of irksomeness by virtue of the indignity imputed to it” (Veblen 1934 [1899]: 17) owing to socialisation processes that govern the “...settled habits of thought common to the generality of men” (Veblen [1919 (1909)]: 239). This is significant since the notion of habit is a key element in Veblen’s institutionalist account of economic behaviour, as it is the mechanism through which, Hodgson suggests: “...the framing, shifting and constraining capacities of social institutions give rise to new perceptions and dispositions within individuals” (Hodgson 2007: 331).

This lack of agency perhaps prompts Schumpeter (1991: 292) to claim that: “[i]nstitutionalism is nothing but the methodological errors of German historians”.<sup>401</sup> This is perhaps disingenuous, as Veblen (1901: 73) is critical of Schmoller’s denial of “the feasibility of a scientific treatment of economic matters” and his “...aim at confining economics to narrative, statistics and description”. However, as Steffan Hultén (2005: 170) notes, Veblen retains the German Historical School’s view that “...economics should deal more with the evolution of societies and less with pricing and allocation”. This is a central theme of “old” institutionalist economics, as Hodgson (2003c: 154) notes. As he also explains, in addition to Veblen (e.g., 1909), seminal institutionalist authors such as John R. Commons (e.g., 1934), Wesley Mitchell (e.g., 1910: 203), Clarence Ayres (e.g., 1944) and John Kenneth Galbraith (e.g., 1969) consider that “...the individual can be reconstituted by social

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<sup>401</sup> Schumpeter, J. A. (1991) *The Economics and Sociology of Capitalism*, edited by R. Swedberg. Princeton, NJ: Princeton University Press, p.292 cited in Hultén 2005: 170.

institutions”.<sup>402</sup> Following Veblen et al, Hodgson argues that individuals’ habits are created and moulded by social institutions, resulting in “a reconstitution of purposes and preferences” (Hodgson 2002: 172).

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<sup>402</sup> Mitchell, W. C. (1910) ‘The Rationality of Economic Activity II.’ *Journal of Political Economy*, 18 (3): 197-216; Ayres, C. E. (1944) *The Theory of Economic Progress*. Chapel Hill, NC: University of North Carolina Press; Galbraith, J. K. (1969) *Ambassador’s Journal*. Boston, MA: Houghton Mifflin, cited in Hodgson 2003c: 154. As Hodgson (2001: 153) notes, Commons mentions James in his early work, but by *Institutional Economics* (1934) had become more interested in Peirce’s pragmatism.

## Part Three: Constructivist approaches

### 4.3.1) Critical realism

Hodgson's notion of "reconstitutive downward causation" is intended to challenge rationalist social theory. Hodgson also refutes the critical realist position in economics, which, as Bjorn-Ivar Davidsen (2005 [online]) notes, aims to alter mainstream economists' view of social reality to one that comprises philosophical realism and an anti-foundationalist epistemology. This position is associated with Tony Lawson, for whom: "...the ontological presuppositions of the methods of mathematical modelling used by economists are rarely questioned or even acknowledged, at least not in any systematic or sustained way..." (Lawson 2003: 12). Lawson is influenced by Roy Bhaskar's (e.g., 1978; 1991) sociological critical realist position.<sup>403</sup> However, whereas Bhaskar retains a close identification with Marx (e.g., 1973: 146),<sup>404</sup> Lawson stresses his affinity with a broader collection of theorists, as is evident in *Economics and Reality*, where he states:

Keynes, Hayek, Marx, Dobb, Veblen, Marshall, Smith, Shackle, Menger, Boulding and Kaldor...in one form or another, they already express many of the fundamental tenets of the basic thesis [of the book] (Lawson 1997: xiii).

As Peter Nielsen (2002: 734) explains, however, this approach demonstrates Lawson's insensitivity to "...*real* differences of opinion of methodology, theory and politics" between these authors, particularly between Smith and Marx. As discussed in 3a, an important difference between these authors is the causal power that Marx attributes to the role of structural factors in determining agency. This is echoed by Lawson (2003: 50), who argues that: "[s]ociety acts on, and shapes the individual, just

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<sup>403</sup> As Chris Brown (2007: 410) points out: "...the ur-text of critical realism is Roy Bhaskar's *A Realist Theory of Science*". Like Bhaskar, Lawson is also influenced by Anthony Giddens's (e.g., 1991) theory of structuration (Davis 2002a: 17).

<sup>404</sup> Marx, K. (1973) *Surveys from Exile: Political Writings*, Volume 2, edited by Fernbach, D., Harmondsworth: Penguin cited in Hodgson 2002: 164.

as individuals collectively (if mostly unintentionally) shape the social structures that make up society”. However, despite appearing to offer an intersubjective account of agency here, Lawson fails to explain how individuals affect social structures.

Arguably, this is due to the temporal privilege that he grants these structures over individual agency. As Lawson states “...the constituents of social reality include *positions* into which people essentially slot...” (Lawson 2003: 39 [italics in original]). This view of agency is reminiscent of Bhaskar, whose collapse of the self and society is in turn influenced by Mead’s overly social account of the self, as is noted in 3b. Despite referring to the “self-determination” of the agent,<sup>405</sup> Bhaskar suggests that: “[p]eople do not create society. For it always pre-exists them and is a necessary condition for their activity...”<sup>406</sup> Bhaskar’s notion of agency is heavily criticised by Hodgson:

...in Bhaskar’s writing...allusions are made to a vague and inconsistent notion of the ‘self-determined’ agent. There are two problems here. One is the failure to examine causes behind reasons. The other is to assume, as an act of mere definition, that all action is motivated by reasons. In contrast, an approach building on the earlier instinct-habit psychology of James, Dewey and others offers a way out of this dilemma...All reason and deliberation makes use of previously acquired habits of categorization, inference and calculation. The existence and role of these habits makes reconstitutive downward causation possible... (Hodgson 2002: 172).

In contrast to Bhaskar and other critical realists such as Margaret Archer (e.g., 1995), Hodgson intends to retain agency by stressing the “...significance of reconstitutive downward causation on habits, rather than merely on behaviour, intentions, and preferences” (Hodgson 2002: 171). In addition to his rejection of critical realist economics, Hodgson’s suggestion that habits “...provide a reconstitutive causal

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<sup>405</sup> Bhaskar, R. (1975) *A Realist Theory of Science*. Leeds: Leeds Books, p.72, cited in Hodgson 2002: 172.

<sup>406</sup> Bhaskar, R. (1989) *Reclaiming Reality: A Critical Introduction to Contemporary Philosophy*. London: Verso, p. 36, cited in Hodgson 2002: 163.

mechanism...” thus reflects his attempt to posit an alternative response to the structure-agency problem from an institutionalist perspective. For Hodgson:

[i]nstitutions are the kind of structures that matter most in the social realm. They matter most because of their capacity to form and mould the capacities and behaviours of agents in fundamental ways...and change individual dispositions and aspirations (Hodgson 2001: 328).

This is a shift from his earlier position, in which he claims that: “...neither individual nor institutional factors have complete explanatory primacy” (Hodgson 1998: 184). Despite this, Hodgson clearly grants structures temporal primacy, as he argues that: “[w]e are all born into a world of pre-existing institutions, bestowed by history” (Hodgson 2001: 328). In order perhaps to incorporate agency into this explanation, Hodgson grants ontological primacy to instincts in order to explain the origins of habit beyond social factors. According to Hodgson (2007: 332):

[t]his understanding of the dual and complementary roles of instinct and habit in the formation of preferential dispositions was central to the psychology of William James (1890), which was hugely influential for Veblen (1914).

However, despite this claim to engage with James, Hodgson’s is a highly structural account that suggests that his understanding of James is influenced to a greater extent by Veblen’s adaptation of it than James’s own thought. Indeed, Hodgson argues that: “[t]he infant individual has to be “programmed” to discern and respond to specific stimuli so that the repeated behaviors that lead to the formation of habits can become possible...” Certainly, this is not a view that could be accurately associated with James’s view of instinct or habit.

As discussed in 3.3.1-3, James (1992 [1878]: 370-372) does explain that instincts are modified by experience. However, this does not refer to the “programming” of instincts via socialization processes. Rather, James explains that habits provide

information to the individual about how to respond efficiently to contradictory instincts.<sup>407</sup> Moreover, he is clear that each individual chooses these habits in the first instance. As such, James, like Smith - and unlike Veblen and Hodgson - retains intentional agency for the individual. Rather than reflecting James's view, Hodgson's notion of habits thus appears to be wholly derived from Veblen's institutionalist account, whom he cites: "[t]he situation of today shapes the institutions of tomorrow through a selective, coercive process, by acting upon men's habitual view of things" (Veblen 1899: 190 cited in Hodgson 2002: 170).

Despite Hodgson's claims (e.g., 2007), neither he nor Veblen provides an adequate alternative to the overly structural view of critical realists such as Bhaskar or overly agential accounts as put forward by Menger, new institutionalists, behaviourist economists, orthodox economists and rational choice sociologists. This is important since the notion of reconstitution of habits is a central tenet of institutionalist economics:

This notion that the individual is not given, but can be reconstituted by institutions, pervades the tradition of 'old' institutionalism from its predecessors in the historical school to its successors today. This is what distinguishes it from mainstream and new institutionalist economics... (Hodgson 2002: 174).

Hodgson's criticism of critical realism's overly structural approach inadvertently highlights the inability to account for intentional agency in both institutionalist and critical realist accounts beyond the pre-existing structures in which the agent is embedded. As Edward Fullbrook (1998: 437) notes, critical realism therefore lacks "...a coherent and ontologically grounded model of the intersubjective agent". This is

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<sup>407</sup> As James points out in *Psychology: Briefer Course*, these instincts can also vary between individuals: "Some children will cry with terror at their first sight of a cat or dog...Others will wish to fondle it immediately" (James 1992 [1878]: 382).

significant since critical realists such as Andrew Sayer (2003a; 2003b) and Leonidas Montes (2004) claim Smith as a forerunner of their approach, and David Wilson and William Dixon (2006) suggest that critical realism may deepen understanding of the *Adam Smith Problem*.

As discussed in 3b, Sayer fails to move beyond Charles Griswold's faulty account of Smith's supposed *aporia* and Bhaskar's Meadian collapse of the self and society in his reading of *TMS*. Montes also identifies Smith with critical realism. According to Montes, Smith's "...ambitious intellectual pursuit was to uncover the real structures underlying social and moral phenomena..." This, Montes suggests, is similar to critical realists' intention to "...reveal the 'concealed connections,' that is to uncover the mechanisms that exist at a deeper level":

Smith's definition of philosophy as aiming to 'lay open the concealed connections' [in *HoA*] clearly reflects his conception of the nature of reality as not always actualised. Therefore we can infer that Smith's philosophical position presupposes existence, while acknowledging that it is usually concealed (Montes 2004: 160-162).

In order to support this claim, Montes cites Lawson to suggest that Smith's discussion of the development of knowledge via "surprise, wonder and admiration" in *HoA* is similar to the view held by critical realists:

Theoretical explanatory enquiry is likely to be initiated or further stimulated where contrastive demi-regs occasion a sense of surprise, doubt or inconsistency, either between the observed phenomenon and a set of prior beliefs, or between competing explanations of it, and so forth (Lawson 1997: 211 cited in Montes 2004: 162).

However, as I discuss in 3.3.1, Smith does not discuss the sentiments of surprise, wonder, and admiration in *HoA* in order to demonstrate that there is a hidden reality that is waiting to be discovered through philosophical investigation. Rather, this



discussion pertains to the psychological processes that lead to the evolution of philosophical knowledge. As Smith states, psychological unease "...prompts mankind to the study of Philosophy, of that science which *pretends* to lay open the concealed connections that unite the various appearances of nature" (Smith 1980, *HoA*, II.12; III.3 [my emphasis]). As such, rather than claim that any understanding derived from such a process uncovers "reality" Smith is investigating how current knowledge has been established and how future knowledge might be developed. Indeed, as I argue in 3.3.1, Smith is clear that such systems of knowledge are "mere inventions of the imagination" (*Ibid*, IV.76). This is arguably why he employs the word "pretends" – a part of the sentence Montes omits – as Smith is clear that final truth cannot be established. Rather, it needs only to be contemporaneously plausible, so that the imagination is temporarily "soothed" (Smith 1980, *HoA*, II.12). Indeed, the ominous implications of making grander claims for knowledge are demonstrated in his warnings regarding "men of system" in *TMS* and in *WN*. As I also suggest in 3.3.1, Smith's suspicion of dogmatic claims to knowledge is comparable to James's (1907: 107) view, for whom:

[t]he 'absolutely' true, meaning what no farther experience will ever alter, is that ideal vanishing point towards which we imagine that all our temporary truths will some day converge...Meanwhile we have to live today by what truth we can get today, and be ready tomorrow to call it a falsehood.

Wilson and Dixon "draw heavily" on Montes' "magisterial survey" of Smith (Wilson and Dixon 2006: 255). Despite this, they argue against Lawson (2003), for whom, they suggest, the individual is "embedded" in society. In contrast, Wilson and Dixon suggest that for Smith: "...the human self is an irreducibly social self...The self does not *become* socialised, moralised or ethical, but is in itself social, moralised and ethical" (Wilson and Dixon 2004: 122 [italics in original]). Like Sayer, however, they fail to explain how this self arises beyond the social structures they suggest it impacts

upon. This is perhaps unsurprising, as Wilson and Dixon characterise Smith's conception of the self as "proto-Meadian":

The 'passionate', partial side of being (Mead would say the 'I'), and its 'impartial' counterpart, the man within the breast (Mead would say the 'me'), together constitute the self...action emerges as a result of what Mead calls a 'conversation' between the two [the I and Me] (*Ibid*, 128-129).

Smith's impartial spectator is neither of the 'I' nor of the 'you'. It is however of the self since...for Smith the self is the 'I with you in mind'. Smith's talk of an impartial spectator is his way of expressing the norms that we live by... These are standards that are not external at all but, according to Smith's lights, inhere in me: they are my norms; norms that are somehow taken into myself. Better, this 'man within' is the 'me' (Wilson and Dixon 2006: 268).

Wilson and Dixon illustrate this claim via Smith's comment in *TMS* in which he notes that an individual "...lower[s] his passion to that pitch, in which the spectators are capable of going along with him..." (Smith 1981 [1790], I.i.4.7 cited in Wilson and Dixon 2006: 269). However, Smith does not make this observation in order to claim that individuals have an "internal conversation" or indeed that sympathy is mere contagion, as Mead suggests:

We feel with him and we are able so to feel ourselves into the other because we have, by our own attitude, aroused in ourselves the attitude of the person whom we are assisting. It is that which I regard as a proper interpretation of what we ordinarily call "imitation", and "sympathy", in the vague, undefined sense which we find in our psychologies, when they deal with it at all (Mead 1934: 299).

Rather, Smith's comments demonstrate the active nature of the sympathetic process between two people. It is therefore interesting to note that while Mead supposedly adopts Smith's concept of sympathy, he does not once refer to *TMS*. Indeed, as Costelloe (1997: 88) admits: "...Mead was genuinely unaware of Smith's moral psychology". Mead also appears to be similarly unacquainted with the sophisticated nature of James's account of the self, as his conceptualisation of the self employs an

inferior version of James's I/Me distinction that is unable to account for agency, as noted in 3b. Indeed, as Mead argues: "[i]n the crowd there is an organisation of individuals without the emergence of any self".<sup>408</sup>

It is also interesting, therefore, that Archer criticises both James and Mead regarding their alleged neglect of the "internal conversation":

Mead remained at exactly the same point where William James ground to a halt – the fundamental inability to conceptualise how we are capable of any form of internal conversation with *ourselves* (Archer 2003: 90 [italics in original]).

Archer notes that James refers to individuals' "premonitory perspective" in the chapter on 'Consciousness' in *PP*. For Archer, however, James's recognition of individuals' capability for internal reflection does not go far enough: "James conceptualised thought as an inner monologue, but never as a dialogue" (*Ibid*, 61-64). Significantly, Archer prefers Peirce's "stratified view of the self" that, she notes, enables him to conceptualise "a dialogue between different phases of the *ego*" (Peirce 1933: 6 cited in Archer 2003: 71 [italics in original]). As Archer (2003: 71-72) explains, for Peirce, this involves a pre-existing self that is made up of habits and an elaborated self that post-dates the dialogical dispositions and activities that have shaped it. According to Archer, it is this temporal stratification that facilitates Peirce's avoidance of Mead's externalism:

The Peircian 'Me', as the personal conscience which is regularly consulted, is thus very different from Mead's 'Me', as the generalised other, which furnishes society's guidelines to action. The former is a personalised sentiment, the latter a socialised deposit (Archer 2003: 73).

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<sup>408</sup> Mead, G. H. (1914) 'Class Lectures in Social Psychology', in Miller, D. L. (ed.) *The Individual and the Social Self: Unpublished work of George Herbert Mead*. Chicago, IL: University of Chicago Press, pp.149 cited in Leys 1993: 299.

Despite this comparison, Archer notes that:

...rather surprisingly, neither Peirce, nor Mead after him, gives us one line from an internal conversation. It is as if, because thought itself is held to be dialogical, we can all be expected to furnish our own examples, by reference to our own conversations (*Ibid*).

It is perhaps more likely that neither Peirce nor Mead emphasised the internal conversation to the extent that Archer might prefer. Despite this, Archer utilises this alleged aspect of Peirce's thought in order to compare it favourably to Mead's externalism. This is perhaps reasonable, as Mead's concept of the self involves its reduction to social processes, as noted. However, Archer also uses this discussion to criticise James's alleged "trenchant subjectivism" (Archer 2003: 78). For Archer, James: "...did not take the final step and conceptualise this mechanism as *dialogical*...James conceptualised thought as an inner monologue, but never as a dialogue". Consequently, in contrast to Peirce: "James leaves us well short of a model of internal deliberations through which the reflexive agent could actively mediate his or her objective social structure" (*Ibid*, 64 [italics in original]).

This is inaccurate. For James, habits do not wholly constitute the individual. Rather, the present *acting* self - the "I" - chooses which habits interact with the "Me". In contrast, Peirce does not account for this, as the "I", or "judge" is simply the "critical self" or remembered past. In addition to avoiding a Meadian reduction of individual action to social processes, James thus provides a far more thorough account of the self than Peirce's scant explanation via the "internal conversation". As discussed in 3.1.3, James's conceptualisation of the self is also comparable to Smith's view insofar as both thinkers account for an analytically distinct part of the self with which the individual communes that is not separated from the wider self and the context in which the self-evaluation takes place.

#### 4.3.2) Poststructuralist and social constructivist approaches

Vivienne Brown (1994) appears to echo Mead's notion of the "conversation" and Peirce's concept of the "internal dialogue" in her utilisation of Mikhail Bakhtin's (1981) distinction between "dialogical" and "monologic" texts when interpreting Smith.<sup>409</sup> Brown uses this distinction in order to explore the "stylistic differences" that she alleges to exist between *TMS* and *WN* and to challenge the "commonsense presupposition" that "correctly reading Smith's work...gives us the meaning that Smith intended". Echoing Skinner (1998), Brown argues that:

[i]t is...not the author but the interpreter who is the "final authority" concerning what the author was doing in a particular work. This raises the question of the relationship between the *intended* illocutionary force of an utterance and the *actual* illocutionary force of an utterance as interpreted by the historian (Brown 2003: 538 [italics in original]).

This wholly subjective approach informs Brown's argument (1997: 688-689) that there is an "ironic" and "complex interplay of meanings in *The Theory of Moral Sentiments* which unsettles any notion of a straightforward reading". Following Bakhtin, Brown argues that *TMS* reflects the "dialogic model of conscience" (1994: 208) found in Stoic moral philosophy, in which "the moral agent engages in internal dialogue" (*Ibid*: 21). In contrast, "WN is an amoral text in that it is not concerned with the dialogic experience of conscience" (*Ibid*: 209). Arguably, this is a restatement of the *Adam Smith Problem* in novel terms, as it reiterates the false separation of the two "Smiths" via a sophisticated reiteration of the sociable, moral individual of *TMS* and the selfish, isolated agent supposedly found in *WN*.

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<sup>409</sup> Bakhtin, M. M. (1981) *The Dialogic Imagination: Four Essays*. Austin: University of Texas Press.

In addition to advocating a particularist view of Smith's "real" meaning in a manner that perhaps recalls the gap-filling of orthodox economists and heterodox accounts such as that given by Rothschild (e.g., 2001), Brown wrongly attributes to Smith an overly social view of the self that is not explained beyond her idiosyncratic reading of the impartial spectator. For Brown: "...although the impartial spectator represents a private moral domain, this is premised upon the social existence of the moral agent" (Brown 1994: 208). This is perhaps unsurprising, as Brown also cites Bakhtin scholar Tzvetan Todorov's Meadian understanding of the impartial spectator, which, Todorov argues, is "a generalized other, the internalized gaze of others" that guides moral behaviour (Todorov 1997: 6-8 cited in Brown 1997: 698). For Todorov:

...the impartial spectator is the distillation of those who have had influence upon us, what in the twentieth century, George Herbert Mead would call the 'generalized other,' and Mikhail Bakhtin, 'the superaddressee'.<sup>410</sup>

This overly social view of Smith's account of the self is echoed by Michael Shapiro:

The Smithian individual is not the sovereign, self-contained owner or author of actions but, rather, a dynamic, reflective, immanently social system of symbolic exchanges...Smith's person is not a self-contained, sovereign actor but a bifurcated or double self, containing both an actor and an imagined observer through whom action predicates are mediated... (Shapiro 1993: 9).

According to Shapiro, therefore, Smith's self is an "immanently socialised subject" (*Ibid*, 10; Shapiro 2006: 43). Despite the inaccuracy of this account, Shapiro's view of Smith is cited by Mariek De Goede in her discussion of the merits of poststructuralist thought, which, she argues: "...offers a way to take seriously the role of ideas, ideology and discourses within the study of IPE while avoiding the limits of economism" (De Goede 2003: 94). De Goede agrees with Murphy and Tooze (1996) that there is an ongoing false separation of economics and politics in orthodox IPE

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<sup>410</sup> Todorov, T. (1996) 'Living Alone Together'. *New Literary History*, 27: 1-14, p.8 cited in Rizvi 2002: 246.

owing to the dominance of the states and markets approach taken from mainstream IR theory. However, according to De Goede: "...critical IPE has not yet examined how the politics of representation and practices of discourse analysis have a bearing on its field of study" (*Ibid*, 80). In order to address this, De Goede notes Shapiro's reading of Smith, in which, Shapiro claims, such a false separation was first put forward:

According to Shapiro, modern economics as written by Smith, amongst others, assumes value to be derived directly from objects. This is a metaphor of intrinsicity, in which 'objects satisfy senses...their value derives from their material relationship with the body'. In this way, modern economics forgets the (social, cultural, discursive) contexts through which objects take on value, and the interpretative struggles that determine what 'value' is to mean. In contrast, Shapiro argues, practices of value and valuation are less 'an individual choice than an enactment of a social code...the value of an object for a subject emerges within a linguistic act that is...anchored in history'. In other words, 'interpretation *produces* value', instead of value existing objectively and prior to interpretative struggles (Shapiro 1993: 62; 66; 81 cited in De Goede 2003: 91 [*italics in original*]).

However, Smith does not suggest such "intrinsicity". Indeed, despite positing a "natural price" involving "natural rates of wages, profit, and rent" in *WN*, he does not refer to this as a wholly objective value. Rather, he is clear that these are the "ordinary or average rates...at the time and place in which they commonly prevail" (Smith 1981 [1776], I.vii.3). As discussed in 3.1.3, Smith is therefore able to incorporate social processes but refrain from reducing agency to these factors. Similarly, Smith is also able to avoid economism, as his pre-disciplinary approach to political economy ensures that he does not separate "economics" and "politics". To argue otherwise is to re-state the *Adam Smith Problem*, as Shapiro, De Goede and Brown appear to do.

As in Brown's account, Shapiro's focus on the importance of linguistic exchanges on the development of value and identity reflects the influence of Mead's symbolic interactionism. Mead's influence is also apparent in social constructivist thought. As Odell (2002: 180) explains, social constructivists follow Mead in assuming that:

...individuals in society adopt roles and behave as they do because they believe others expect them to behave that way...Institutions like families, schools, religious organizations, and governments and mass media accomplish socialization to these roles and shared beliefs. Social norms of appropriate behavior then guide action and even help constitute the individual's sense of 'who I am'.

To be sure, Mead is influential upon the thought of social constructivist International Relations theorist Alex Wendt (e.g., 1999), who claims to overcome individualism and holism via a combination of positivism, Mead's symbolic interactionism and Bhaskar's version of structuration theory (Christiansen, Jørgensen and Wiener 2001: 7). For Wendt, symbolic interactionism can aid rationalist explanations of identity- and interest- formation. As such, Wendt follows Mead's (1913: 374-380) notion of the self as arising from social interaction, via the reflected appraisals of others within one's social group: "[t]he process by which identities and interests get formed is called 'socialization'. Socialization is in part a process of learning to conform one's behaviour to societal expectations" (Wendt 1999: 170). As such, "...socially shared knowledge plays a key role in making interaction relatively predictable over time, generating homeostatic tendencies that stabilize social order" (*Ibid*, 187).<sup>411</sup>

Wendt claims to grant agency and structure "equal weight" in his account, which, he suggests, are "...*mutually* constitutive and *co-determined*" (*Ibid*, 184 [italics in original]). Like Hodgson's old institutionalist reading and Archer's critical realist approach, however, Wendt's emphasis is on structure, as he readily admits. This preference, he suggests, is due to two practical reasons. Firstly, according to Wendt, rational choice and game theory already supply the social sciences with a "fairly well-developed framework for thinking about agency and interaction". As such, this needs to be complemented with a structural account, which he provides. The second reason,

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<sup>411</sup> Wendt transposes this view to the international level, arguing that: "[i]t is the 'generalized other' (Mead 1934) that decides whether the US is a hegemon, not the US by itself..." (Wendt 1999: 177).



Wendt suggests, "...is that structural theorizing is likely to yield a high rate of explanatory return". As he states:

[e]ven if we lack detailed knowledge about actors and their intentions, we should be able to explain, and even predict, patterns of their behaviour if we know the structure of rules in which they are embedded (Wendt 1999: 184).

According to John Kurt Jacobsen (2003: 45), despite constructivists such as Wendt's "unduly restrictive social-psychological view of identity", their approach "improves upon rational choice theory in its view of the beings inhabiting its modelled universe". However, it is difficult to see how this view might be sustained. To be sure, authors such as Wendt may utilise a structural approach that is uncommon within orthodox social science, yet aiming to explain and predict behaviour from such a perspective does not imply a move beyond rational choice theory, nor indeed the model given by mainstream economists. Rather, by aiming to complement existing approaches, it again demonstrates the dominance of rationalist conceptions of the individual in the social sciences. This is certainly the case in IPE. As Higgott (2006: 9) notes, orthodox IPE theorists such as Peter Katzenstein, Robert Keohane and Stephen Krasner attempt to account for agency "...by bolting on constructivist thinking to its rationalist method. It does so not to demolish rationalist understandings of actor behaviour but to modify and contextualise them..."<sup>412</sup>

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<sup>412</sup> Katzenstein, P. J., Keohane, R. O and Krasner, S. D. (1998) 'International Organization and the Study of World Politics'. *International Organization*, 52 (4): 463-85 cited in Higgott 2006: 9.

#### 4.3.3) Rortian neopragmatism and neo-Gramscian IPE

Higgott suggests Richard Rorty's neopragmatism as an alternative basis for IPE to rationalist, constructivist and neo-Gramscian accounts. In an article from 2003 with James Brassett,<sup>413</sup> Higgott emphasises the normative aspect of Rorty's thought, finding "an imaginative springboard for launching a reformist agenda..." in his ethic of "redescription" (Brassett and Higgott 2003: 31-32). As Keith Topper (1995: 954) explains, this involves "...describing what unfamiliar people are like and redescribing what we ourselves are like". According to Rorty, this pre-analytic exercise has the potential to transform our moral imaginations in a manner that avoids obstructive universalistic narratives:

The method is to redescribe lots and lots of things in new ways, until you have created a pattern of linguistic behavior which will tempt the rising generation to adopt it, thereby causing them to look for appropriate new forms of nonlinguistic behaviour...<sup>414</sup>

Despite pointing out the "intensely relativistic" nature of this concept, Brassett and Higgott suggest Rorty's notion of redescription as the basis of a "positive agenda for change" in the global polity (Brassett and Higgott 2003: 46; 52-54). Arguably, this reflects the influence of John Dewey's pragmatism on Rorty's thought. For Dewey (e.g., 1948), philosophy should provide an ideal that can be used to understand and assist social reconstruction.<sup>415</sup> In a manner reminiscent of Bhaskar's (2002: 86) view of the "emancipatory role" that he alleges philosophy ought to play in society, and also the "man of system" that Smith warns about in *TMS*, Dewey: "...believed that

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<sup>413</sup> Brassett, J., Higgott, R. (2003) 'Building the Normative Dimension(s) of a Global Polity'. *Review of International Studies*, 29: 29-55.

<sup>414</sup> Rorty, R. (1989) *Contingency, Irony and Solidarity*. Cambridge: Cambridge University Press, p.xvi; p.9, cited in Topper 1995: 954; Deibert 1997: 182.

<sup>415</sup> Dewey, J. (1948) *Reconstruction in Philosophy*, Boston, MA: Beacon Press, p.124, cited in Cochran 2000: 178.

reformers could solve basic economic and political problems by acting directly on minds, morals, and culture” (Cohen 1998: 429).

As Molly Cochran (2000: 176; 189) notes, despite citing Dewey as his intellectual hero,<sup>416</sup> Rorty “...aims to divest Dewey’s work of its foundationalism...so as to make pragmatism more radically contingent, interpretivist and linguistified”. Ironically, this echoes Dewey’s naturalisation of the work of *his* philosophical hero: William James. As Richard Gale explains, Dewey (e.g., 1940) deliberately distorts James’s philosophy in order to render it compatible with his naturalistic ontology.<sup>417</sup> As Gale argues: “[b]y this act of philosophical usurpation Dewey adds to the lustre of his own bandwagon by getting James aboard” (Gale 2004: 154-156; 162-163; 1997: 49-57). In a similar manner, Rorty claims James and Dewey as forerunners of his anti-foundationalist approach, as Leszek Koczanowicz (1999: 63) explains:

...Rorty argues...that ‘James and Dewey were not waiting at the end of the dialectical road which analytic philosophy traveled, but are waiting at the end of the road which, for example, Foucault and Deleuze are currently travelling’. (Rorty, 1982: xviii)...This interpretation enables Rorty to place pragmatism in the context of contemporary debates, but at the price of giving a distorted image of the movement, as he has several times admitted.<sup>418</sup>

Indeed, as established in 3.1.2, James certainly does not reflect the antifoundationalist view that Rorty grants him here. As Gale (2004: 151) notes, although James’s multivocalism in *PP* may be interpreted as reflecting a type of ontological relativism, in his later works such as *VRE*, *APU* and *Some Problems of Philosophy* James clearly endorses “...nonrelativized reality claims based on mystical experiences, which also include the Bergsonian conceptless intuition of a cotton-candyish processual flux”. As

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<sup>416</sup> See Rorty, R. (1985) ‘Comments on Sleeper and Edel’. *Transactions of the C. S. Peirce Society*, 21 (1): 39-48.

<sup>417</sup> For James’s opinion of Dewey, see “The Chicago School”, in James 1987 (1904): 1136-1140.

<sup>418</sup> Rorty, R. (1982) *Consequences of Pragmatism*. Minneapolis, MN: University of Minnesota Press, p.xvii cited in Koczanowicz 1999: 63.

James explains in *APU*, individuals do not lose their identity in this process; rather, it is here that different aspects of individuals' identities are developed and displayed (James 1987 [1909]: 751). This reflects the chapters on "Attention" and "Will" in *PP*, in which James stresses that habit is not akin to passive enactments of socialisation processes, but is the outcome of repeated exposure to a particular form of activity that is initially chosen by the individual.<sup>419</sup> Arguably, this demonstrates the paucity of Dewey's attempt to portray James as a methodological individualist. According to Dewey, in James's work:

...human beings and all objects and events are treated as if they were individual and nothing but individual...The result is that identification of human beings with something supposed to be completely isolated which is the curse of the so-called individualistic movement in economics, politics, and psychology.<sup>420</sup>

This is inaccurate, as Gale points out, since James's notion of the importance of individualism "...was really concerned with the value of each individual in virtue of its uniqueness, not its separateness or isolation within a society or economic system" (Gale 2004: 158). Arguably, Dewey's critique of James highlights the complete socialization of the individual in his own account, which shares Mead's naturalization of the self. As James Schellenberg points out, Mead's exclusive focus upon - and subsequent distortion of - James's social self was viewed by symbolic interactionists such as Dewey as "...a significant step forward in the development of self theory" (Schellenberg 1990: 770). As Gale suggests, therefore: "[i]t is no accident that Dewey never wrote anything about the identity of the self, for, according to him, there is no such thing" (Gale 2004: 159).

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<sup>419</sup> As discussed in 3.1.4, there are clear similarities with Smith's and James's views here.

<sup>420</sup> Dewey, J. (1989) *The later works of John Dewey, 1925-1953*, ed. by J. A. Boydston, volume 15. Carbondale, IL: Southern Illinois University Press, pp.4-5, cited in Gale 2004: 158.

As Patrick Baert (2004: 358-359) argues, Rorty's ambivalence towards Dewey's naturalism relates to Rorty's discussion of the *Methodenstreit*, which he portrays as the struggle between naturalist and anti-naturalist approaches. As Baert explains:

...Rorty disagrees with both sides of the debate. For him the controversy is an ill-conceived one, because it is not actually about method. Debates about method would require a common goal, and this is absent here. It would be preposterous to hold that naturalist and anti-naturalist 'readings' of the social have the same objective; they obviously do different things. Whether either position is a plausible route to take depends on what we want to achieve. If we want to predict and control, naturalist approaches will do; if we want to treat human beings as moral individuals, then surely anti-naturalist approaches are likely to be called for.<sup>421</sup>

This is evidence of the "practical" emphasis to Rorty's neopragmatism, which appears to be a distant relation to James's notion of "cash value" as expressed in *Pragmatism*, in which the truth of an idea rests upon its explanatory power.<sup>422</sup> This is significant here since it is this "practical" aspect of Rorty's notion of redescription that Brassett and Higgott draw upon in their attempt to move beyond orthodox and critical explanations of globalisation. For Brassett and Higgott:

[t]he scholarly study of globalisation and an emerging global polity must develop a *critical problem-solving* purpose that takes us beyond Robert Cox's once useful, but now inhibiting, distinction between international relations scholarship as either *critical theory* or *problem-solving* (Brassett and Higgott 2003: 51 [italics in original]).

Arguably, Brassett and Higgott are correct insofar as Cox's distinction between critical theory and problem-solving theory reflects an outdated approach to IPE in which it is considered an events-led adjunct to international relations theory.<sup>423</sup> To be sure, Cox's transformative agenda - informed as it is by Marx's historical materialism and Gramsci's class-based account of the self - cannot account for agency in a serious

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<sup>421</sup> Rorty, R. (1982) *Consequences of Pragmatism*. Minneapolis, MN: University of Minnesota Press, pp. 196-197 cited in Baert 2004: 159.

<sup>422</sup> As discussed in 3.2.1, this does not represent relativism, as for James true beliefs must be verifiable.

<sup>423</sup> Cox 1986 (1981): 207 [italics in original]; Cox 2001: 59; Watson 2005: 11; Keohane 2009: 35.

way.<sup>424</sup> This criticism that can also be aimed at David Lake's (2009) "open economy politics", which, he explains: "...assumes the interests of actors are derived from their position within the international division of labor, and examines how strategic interaction and institutions condition the pursuit of those interests" (Lake 2009: 49). Such an overly structural agenda is also reflected by "old" institutionalists, critical realists and social constructivists, as has been discussed. Furthermore, despite their criticism of Cox, Brassett and Higgott's utilisation of Rorty's notion of redescription provides IPE with a similarly normative agenda and an equally poor explanation of agency. Arguably, this use of Rorty's distortion of pragmatist thought fails to move beyond Cox, therefore, as it combines an interventionist approach with Dewey's failure to account for agency and a relativistic explanation of social change.

The practical aspect of pragmatism to which Rorty appeals is perhaps reflected in the work of Susan Strange (e.g., 1988). Despite retaining a structuralist viewpoint, Strange (1988: 16) argues:

[w]hat we have to do [in IPE], in short, is to find a method of analysis of the world economy that opens the door of student or reader choice and allows more pragmatism in prescription; and secondly, a method of analysis that breaks down the dividing walls between the ideologues and makes possible some communication and even debate among them.

For Cohen (2008: 55-56) Strange's view of intellectual inquiry was "to right the wrongs of the world". In order to support this, Cohen cites Ronen Palan (2003: 123), who views the philosophical pragmatism of James and Dewey as "hold[ing] the key" to Strange's brand of IPE. As noted, however, James does not advocate interventionism aimed at changing the world; even a cursory reading of his work demonstrates this. As such, one might consider that Strange is influenced by Dewey.

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<sup>424</sup> Berry 2007: 20; De Goede 2003: 89; Devetak 1996: 152; Germain and Kenny 1998: 8-12; Murphy 1998: 424; Jacobsen 2003: 55.

However, unlike Dewey who, as noted, does not consider the self worthy of discussion, Strange recognises the importance to IPE of accounting for agency:

...all we have [in IPE theory] so far are competing doctrines - sets of normative ideas about the goals to which state policy should be directed and how politics and economics (or, more accurately, states and markets) ought to be related to one another...What we need is different. It is a framework of analysis, a method of diagnosis of the human condition as it is, or as it was, affected by economic, political, and social circumstances. This is the necessary precondition for prescription, for forming opinions about what could and should be done about it (Strange 1988: 16).

Arguably, like Cox, Strange's structuralism limits her ability to incorporate agency into IPE in the manner that she intends. However, her insight at least demonstrates that this need has largely gone unfulfilled since her seminal intervention in the subject field. In order to begin to remedy this situation, Strange suggests that we "...go back and start again at the beginning".<sup>425</sup> This is not, however, the point at which Cohen (2007: 197) and Keohane date IPE's commencement. For Keohane:

[i]dentification of IPE as a proper subject of study was inaugurated in the United Kingdom by Strange's 1970 article in *International Affairs*...followed by her book, *Sterling and British Policy* (Strange, 1971), which traced connections between politics and economically [sic] historically. The key markers in the United States were three special issues of *International Organization* during the 1970s - on transnational relations (Keohane and Nye, 1972), politics and economics (Bergsten and Krause, 1975), and foreign economic policies of advanced industrialized states (Katzenstein, 1978).<sup>426</sup>

In contrast, Strange is referring to the tradition of classical political economy that existed prior to the "...fragmentation of the social sciences in the nineteenth

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<sup>425</sup> Strange, S. (1998) 'International Political Economy: Beyond Economics and International Relations'. *Economies et Sociétés*, 34 (4): 3-24, p.21, cited in Watson 2005: 241.

<sup>426</sup> Bergsten, C. F., Krause, L. B. (1975) *World Politics and International Economics*. Washington, DC: Brookings Institution; Katzenstein, P. J. (ed.) (1978) *Between Power and Plenty: Foreign Economic Policies of Advanced Industrial States*. Madison, WI: University of Wisconsin Press; Keohane, R. O., Nye, J. S. (1972) (eds.) *Transnational Relations and World Politics*. Cambridge, MA: Harvard University Press; Strange, S. (1970) 'International Economics and International Relations: A Case of Mutual Neglect'. *International Affairs*, 46 (2): 304-315; Strange, S. (1971) *Sterling and British Policy: A Political Study of an International Currency in Decline*. Oxford: Oxford University Press cited in Keohane 2009: 35.

century”.<sup>427</sup> This view is echoed by Watson, who points out that: “...political economy has a much longer history than as a sub-field of International Relations...” (Watson 2005: 241). As such, he argues:

[i]n the search for suitable foundations for IPE, it is necessary to go back further than the beginning of IPE itself, to the origins of the broader tradition of political economy. That tradition, in turn, has its roots in moral philosophy (*Ibid*, 28).

As Watson suggests, this tradition facilitates understanding of economic relations via the appraisal of individuals as “socially situated moral agents” (*Ibid*, 242). As such, recognition of this tradition perhaps breathes new life into Strange’s claim that IPE can rescue political economy from mainstream economics.<sup>428</sup> To be sure, such a pre-disciplinary approach avoids rationalist explanations of agency. However, as I have discussed, attempts by institutionalist and constructivist IPE theorists have so far failed to challenge such a characterisation successfully as they utilise overly structural accounts of agency as provided by figures such as Dewey, Mead, Peirce, Simon and Veblen. Indeed, the danger exists that by self-consciously framing individuals as wholly socially situated agents, IPE theorists will continue to reproduce the post-*Methodenstreit* separation of economics and politics whilst falsely claiming to have overcome the inductive-rationalist account of agency that they criticise.

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<sup>427</sup> Cohen 2008: 56. Cohen acknowledges that IPE’s lineage can be traced back to the eighteenth century. However, he considers Strange’s 1970 article to be “...as good a candidate as any to mark the moment of the new field’s birth” (*Ibid*, 17; 21).

<sup>428</sup> Strange, S. (1998) ‘International Political Economy: Beyond Economics and International Relations’. *Economies et Sociétés*, 34 (4): 3-24, p.21, cited in Watson 2005: 240.



#### 4b) Chapter Four conclusion

According to Cohen (2009: 137) “...there seems little doubt in the minds of many in the IPE community that the divide [between US and British IPE] does indeed exist - and, more importantly, that it matters”. The extent to which this view is accepted in the subject field is perhaps borne out by the recent special issue of *Review of International Political Economy (RIPE)* - a journal as closely associated with “British” IPE as *International Organisation* is to “American” IPE according to Cohen (2008: 47) - in which the “American school” of IPE is debated by a number of prominent British and North American theorists.<sup>429</sup> These include Nicola Phillips, current editor of *New Political Economy*, who points to Daniel Maliniak and Michael Tierney’s study of the Teaching, Research, and International Policy (TRIP) project - “...a multi-year study of the international relations (IR) field in order to discern the major characteristics of international political economy scholarship in the United States today” (Maliniak and Tierney 2009: 6) - as providing evidence of the widespread occurrence of editorial “gatekeeping” among the leading US journals and the associated “self-selection” by theorists hoping to negotiate this process.

For Phillips (2009: 85-87), these represent important contributions to the acute theoretical and methodological homogenization of IPE in the US, which, she argues, is characterized by a commitment to liberalism, rational choice theory and quantitative methodology, a view that is shared by Henry Farrell and Martha Finnemore (2009: 60-63) and Robert Wade (2009: 106). For Kathleen McNamara (2009: 73), this signals an intellectual “monoculture” that ought to be dismantled.

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<sup>429</sup> These contributing authors are: Jerry Cohen, Henry Farrell and Martha Finnemore, Randall Germain, Peter Katzenstein, Robert Keohane, David Lake, Daniel Maliniak and Michael Tierney, Kathleen McNamara, Nicola Phillips, Robert Wade and Catherine Weaver. According to Germain (2009: 100), the “American school” should instead be referred to as the “‘Harvard’ school of IPE”, as he argues that the alumni of Harvard University dominates IPE in the US. This view is refuted by Katzenstein (2009: 128-129).

Cohen (2009: 141) concurs. As he suggests: "...as the creep of economism accelerates [in IPE], the space for truly interdisciplinary work may be gradually squeezed away". In order to remedy this, Cohen (2007: 199) argues that: "...bridges must be built across the transatlantic divide":

...we need to cultivate more debate about and between the two schools...we need to resurrect the theme of [Susan] Strange's open range...Ultimately, the aim should be to restore something of a lost sense of solidarity to our common research community (Cohen 2009: 141-142).<sup>430</sup>

...the two schools are really rather complementary...why not seek to take the best from both, for their mutual gain? The American school could learn much from the British school's broad multidisciplinary...The British school, conversely, could learn much from the American side's more rigorous methodologies, which help bring consistency and replicability to theoretical analysis (Cohen 2008: 177).

In contrast, Higgott and Watson (2008: 4-6) suggest that, as Cohen's identification of a geographical divide equates "American" IPE with ontological atomism and "British" IPE with ontological structuralism, which "...differ so completely in essence that there is no way of simply moving between the two realms of analysis in order to provide a unified explanation combining the two", his calls for reconciliation are "self-defeating":

His [Cohen's] identification of a hostile transatlanticism in IPE centres on the assumption that there are two traditions within the subject field, which are constructed upon very different notions of both the goals and the methods of social scientific research. Taken literally, two such traditions could not talk to one another, because they would have no shared ontological or epistemological elements on which to base a genuine dialogue.

To be sure, Cohen's call for intellectual compromise is undermined by his statement that: "[t]he transatlantic divide can never be eliminated entirely, of course..." (Cohen 2009: 142). As such, his notion of "bridge building" does little other than reiterate the

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<sup>430</sup> Strange 1984: ix cited in Cohen 2009: 142.

view that there are two incommensurable versions of IPE. As Higgott and Watson (2008: 8) point out, this poses a similar threat to a pluralistic IPE as that caused to economics by Menger's victory in the *Methodenstreit*, which prompted today's narrow convergence around a neoclassical approach. As Higgott and Watson explain: "...a forced retrenchment of the subject field around Cohen's American variant would sideline many of the most important recent developments in IPE" (*Ibid*, 12). Among these is the connections being made between political economy and political philosophy, which they suggest "...will continue to define the cutting edge of IPE for the foreseeable future" (*Ibid*, 13). According to Higgott and Watson (2008: 9-10), Cohen's separation of IPE into two hostile camps threatens to disrupt such a move, as it reflects Schumpeter's (1994 [1954]: 31) "avowedly post-*Methodenstreit* view" that "the garb of philosophy is removable...in the case of economics". As such, it also reflects Schumpeter's rationalist separation of economics and politics that informs his view of the two "Adam Smiths".

Gamble (1995), Higgott (e.g., 2006), Murphy and Tooze (1991) and Watson (e.g., 2005; 2009; 2010) are therefore correct to suggest that contemporary IPE is influenced by the pre-disciplinary thought of Adam Smith. Moreover, this longer view demonstrates the reasons for the different approaches to the subject-field, which Cohen et al. fail to take into account. When these reasons are considered, as I have attempted to do in this chapter, it is possible to see that both "sides" begin with a shared acceptance of the rationalist separation of economics and politics that has been in place since the *Methodenstreit*. In my view, it is for this reason that orthodox IPE theorists are unable to move beyond the positivist monoculture that McNamara identifies. It is also for this reason that critical IPE theorists fail to articulate an alternative account of agency to that which they identify in mainstream accounts.

An important aspect of McNamara's argument is that attempts to incorporate more sophisticated notions of agency are occurring in other fields:

The two disciplines most closely related to IPE, economics and sociology, have seen a flourishing of heterodox perspectives on how markets work. Economics has moved into decision making, and unpacked and upended rationality, with Daniel Kahneman receiving a Nobel Prize for his path breaking scholarship with the late Amos Tversky. Economic sociologists have developed and applied very sophisticated quantitative techniques to their studies of the ways in which culture shapes markets and social institutions impact a variety of economic policy outcomes, demonstrating that one can study social constructivist outcomes using many different methods (McNamara 2009: 80).

This is particularly interesting, as, as discussed, the notion of the two separate "IPEs" reflects the post-*Methodenstreit* division between economics and sociology. However, as I have shown, behavioural economists and economic sociologists fail to provide an alternative account of agency to neoclassical explanations of the self. As discussed, these accounts involve a form of rationalist determinism in which individuals are considered to be passive, rational dupes that are easily manipulated by socialisation processes based on assumptions about behaviour taken from mainstream economics. As I suggest in 4.1.1, rather than provide a credible account of agency, these authors merely demonstrate the dominance of rational choice theory - and its attendant reduction of individual agency to the universal "rational economic man" - across the social sciences.

As Watson (2008: 54) notes, critical IPE continues to define itself against such a reductive account of agency. However, as I have shown, this oppositional stance is no more successful at elucidating an alternative concept of agency to that which it criticises. Indeed, it is possible to argue that critical IPE is simply unable to provide this alternative, as it implicitly accepts the rationalist divide that was put in place after Menger's victory in the *Methodenstreit*, in which sociologists "backed off" from the

subject matter and methodology that was deemed appropriate for economists (Swedberg 1987a: 18). Arguably, this form of implicit self-selection is ongoing, which ensures the perpetuation of assumptions regarding one's own "camp" as well as those on the other "side".

As discussed in 4.2.1-2, attempts are made to overcome such a divide by new institutionalist economists and "old" institutionalists. Interestingly, the overly individualistic account of agency provided by new institutionalists such as Horwitz (e.g., 2001) and the overly structural account provided by "old" institutionalists such as Hodgson (e.g., 2007) are informed by distorted versions of Smith's and James's ideas via the views of Menger and Veblen. As discussed in 4.3.1, a similar distortion of Smith's and James's views are made by critical realists such as Archer (e.g., 2003) and Wilson and Dixon (e.g., 2004), whose notion of the "internal dialogue" owes more to Mead and Peirce than it does to Smith and James. As I argue in 4.3.2, Brown (1994; 2003) also uses Mead's concept of the "internal dialogue" to reiterate the *Adam Smith Problem* in novel terms. The overly structural account of Smith's view of agency is echoed by Shapiro (2002; 2006), a view that De Goede (2003) suggests can be of use to critical IPE. The influence of Mead is also shown in the overly structural account of agency given by social constructivist Alex Wendt (1999), despite his claims to have dissolved the opposition between agency and structure.

As noted, Higgott (2007: 155) points out that this form of constructivism is utilised by orthodox IPE authors such as Katzenstein and Keohane in order to "bolt on" an institutional account of agency to rationalist understandings of actor behaviour. In contrast, Higgott and Brassett advocate Rorty's neopragmatism. As I demonstrate in 4.3.3, however, Rorty's view is based upon a distortion of Dewey, whose own ideas

are in turn a distortion of James' views. Despite these misrepresentations via other thinkers, the figures of James and Smith loom large in these explanations. As I have shown, unlike those with whom they are wrongly conflated, they each account for agency rather than reducing it to the reproduction of social forces as in "old" institutionalist and constructivist accounts, whilst avoiding the methodological individualism of rationalist and new institutionalist accounts.

As discussed in this chapter, attempts have been made to move beyond rationalist explanations of agency by behavioural economists and economic sociologists, moves that have been advocated by IPE theorists such as McNamara (e.g., 2009), Deborah Elms (e.g., 2008) and James Odell (e.g., 2002). However, as I have shown, these explanations of agency are inferior to those provided by Smith and James as they fail to move beyond rationalist descriptions of the individual in society, a fate that is shared by institutionalist and constructivist explanations. The Smith-James approach therefore offers a route past the "no through road" that Strange (1998: 21) identifies, as it provides IPE with a pre-disciplinary link to moral philosophy that avoids atomistic and structural accounts of agency.<sup>431</sup> In my view, this framework also emphasises IPE's unique ability to transcend artificial disciplinary boundaries whilst offering a way beyond the characterisation of two "IPEs" that authors such as Cohen (2007; 2008), Denmark and O'Brien (1997) Keohane (2009), McNamara (2009), Murphy and Nelson (2001), Phillips (2009) and Ravenhill (2008) implicitly or explicitly reiterate.

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<sup>431</sup> Strange, S. (1998) 'International Political Economy: Beyond Economics and International Relations', *Economies et Sociétés*, 34 (4): 3-24, p.21, cited in Watson 2005: 240.

**CONCLUSION: TOWARDS A COMPLEX CONCEPT OF THE  
SELF IN IPE**

In this thesis I have attempted to contribute to the emerging effort within IPE to dig back to its intellectual roots. In so doing, I have demonstrated IPE's pre-disciplinary connections to the areas of psychology, economics and sociology, which highlights the subject field's ability to provide intellectual space in which a complex account of agency can develop. As I have argued, this account can be provided via the ideas of Adam Smith and William James. As I have explained, there is a growing appreciation within IPE for the need to re-engage the subject field with its pre-disciplinary origins through Smith. I have investigated the value of such a claim via a thoroughgoing analysis of his thought. To this I have added a detailed assessment of the thought of James, who I have suggested provides a complementary conceptualisation of agency that provides IPE with an alternative to that currently employed in the subject field which reflects marginalist economists such as Carl Menger's (e.g., 1950 [1891]) catallactic separation of economics and politics, and John Stuart Mill's (1844) concept of "rational economic man".

As I have observed, this account of agency has been erroneously attributed to Smith. As William Grampp (1954: 315) suggests, however: "...rational economic man is as alien to the thought of Adam Smith as it is to the observable facts of social behaviour or to any reasonable preconception of them". I have demonstrated this via a thorough investigation of Smith's *oeuvre*, his influences and his ongoing influence. As I have also shown, this is aided by a detailed study of the views of James, whose seminal contribution to the social sciences was made during the period in which the institutionalised separation of the newly formed disciplines occurred. James thus provides us with an intellectual connection to Smith's account of the self and a historical link to the point at which sophisticated accounts of agency were divorced from economics and, latterly, from IPE.



As I have noted, despite recent attempts to introduce more reflexive accounts of agency into the social sciences, Menger's reductive conceptualisation of the self has remained the standard view since the late nineteenth century. As I have argued, Smith and James can provide IPE with a pre-rationalist account of agency that transcends the inductive-deductive divide that has informed the social sciences since then. As I claimed in Chapter Four, IPE theorists are currently unable to countenance such an alternative account of agency owing to their implicit acceptance of the analytical separation of economics and politics that became institutionalised in this period. As I have suggested, this is largely masked by critical IPE theorists' self-conscious commitments to socio-political ontology and normative interventionism, an approach that is consistent with that taken by figures in the Younger German Historical School, sociologists and "old" institutionalist economists, who similarly identify themselves with a reflexive approach. As Watson argues:

[t]he substantive content of much work within IPE highlights the adverse social consequences of purely self-interested actions within the economy. However, few attempts are made to challenge the assumption that behaviour itself is predicated upon self-interested norms.

This failure is arguably aided by IPE theorists' unawareness of their discipline's intellectual heritage (Watson 2010: 3). As noted, most IPE authors date the birth of the subject-field to the early 1970s (e.g., Keohane 2009: 35). As Craig Murphy and Roger Tooze suggest, however, this has potentially hazardous consequences for the future of IPE: "...accepting that history without comment may help reinforce the practice of contemporary orthodoxy. Adam Smith was certainly 'doing' IPE in the 1770s" (Murphy and Tooze 1991: 30 footnote 2). As they propose, therefore: "[t]o recognise that there is a new IPE that shares some of Smith's concerns is to recognise

that today's orthodoxy represents a break in a longer tradition".<sup>432</sup> For Murphy and Tooze, Smith's "ultimate concern" is: "fostering human dignity and the ethical life" (*Ibid*, 27). As discussed in Chapter One, this is a more accurate appraisal of his thought than that given in canonical accounts, in which Smith is represented as a dogmatic advocate of self-interest and *laissez-faire*. However, Murphy and Tooze arguably conflate Smith's concern with the well being and dignity for the poor with an interventionism that he does not advocate.

This is significant since Tooze and Murphy (1996) suggest that orthodox IPE and IR theory marginalizes the world's poor through its commitment to the tenets of rational choice economics, which, they argue: "...constructs economic life as a universal experience in space and time...thus making the recognition and interpretation of economic and political life outside of this frame almost impossible by definition". In order to remedy this, Tooze and Murphy suggest that a "complex psychology" ought to be articulated that employs a broader understanding of human behaviour than that currently conceived within IPE. They advocate an "ameliorative epistemology" in order to achieve this end, which, they argue, can aid the active promotion of interventionist strategies aimed at "making life better for those who are less advantaged" (Tooze and Murphy 1996: 688-689; 697-704). I would argue that this is a laudable aim. Indeed, as Carl Knight (2008: 713) observes:

...two and a half billion people – two-fifths of the world's population – live on less than \$2 per day. Over a billion people do not have access to clean drinking water and 800 million suffer from hunger and malnutrition.

Tooze and Murphy therefore draw attention to the practical consequences of a crucial lacuna in IPE that I have attempted to address in this thesis: the absence of a complex

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<sup>432</sup> Tooze and Murphy (1996: 682) characterise orthodox IPE as that which employs a positivist methodology, an empiricist epistemology, and methodological individualism.

concept of the self within the subject field. However, they fail to elucidate how such a “complex psychology” is to be achieved. As such, they arguably reflect critical IPE’s characteristic “outcome-oriented notion of morality rather than an ontologically-oriented notion” (Watson 2007: 6-7) as they point to the dire consequences of failing to supply an adequate explanation of agency whilst neglecting to provide such an account themselves. This constitutes a move away from Smith, who, as my comparison with James has shown, provides such an explanation whilst demonstrating the dangers of interventionism based on supposedly immutable standards. As I have argued, this does not however reflect a commitment to methodological individualism or to a *laissez-faire* approach. Indeed, as discussed, both thinkers consider poverty to be an affront to justice. As also noted, this demonstrates the theme of self-determination that runs through both authors’ work and which relates to their commitment to evolutionary accounts of morality and knowledge production and thus their opposition to interventionist dogma of any kind (e.g., Smith 1976 [1776], IV.ii.10; James 1981 [1890]: 277).

Despite the limited connection between their interventionist strategy and Smith’s and James’s more modest meliorism, Tooze and Murphy demonstrate the practical importance of Smith’s and James’s provision of a complex concept of the self to IPE. I have suggested that a clearer understanding of their views, which I have aimed to elucidate here, can provide this. As I have argued, Smith’s and James’s pre-disciplinary accounts of the self provide a non-rationalist framework that lends itself to inquiry rather than to prescription. Indeed, as D. P. O’Brien (1990 [1976]: 157) notes, Smith: “...believed in the evolution of systems of knowledge, not in the arrival at a final and immovable truth”. This approach, evident throughout Smith’s *oeuvre*, is shared by James, who similarly “...turns away from...bad *a priori* reasons, from fixed

principles, closed systems, and pretended absolutes and origins” (James 1987 [1907]: 508). As I have argued, this shared antipathy towards universalist claims to truth and objective moral standards contributes to these authors’ ongoing relevance to IPE. To be sure, a more thorough understanding of their thought provides a clear warning as to the dangers of prescriptive interventions based upon universalist claims to knowledge, an issue that is of particular salience in the subject field.

As Anne Showstack Sassoon (2001: 8) suggests: “...those who ‘do’ the [IPE] theory frequently come from the Anglo-American world”.<sup>433</sup> According to John Hobson, this universalism is reflected in critical IR theory, which, he argues, is “...contained within a ‘*Westphalian* straitjacket’ that at once renders racist hierarchy and racism invisible in the world while simultaneously issuing racist Eurocentric explanatory models of the world” (Hobson 2007: 93 [*italics in original*]). In order to remedy this, Hobson proposes a “post-racist emancipatory politics” that, he explains, “...seeks to bring the world to heal...Accepting the Other in the Self and recognising that the Self is therefore hybrid must be central to the process of global reconciliation” (*Ibid*, 113).

Hobson’s reference to “the Self” and “Other” here is at the level of “civilizations”, i.e., “East and West” (*Ibid*, 94). However, in his ‘everyday IPE’ (EIPE) approach, developed with Leonard Seabrooke, Hobson aims to address the issue of agency at the level of the individual. Perhaps echoing other poststructuralists such as De Goede (e.g., 2003; 2006), for whom “the economy is not an autonomous entity in its own right but is constituted by everyday practices that are ideologically imbued” (Watson 2007: 11), Hobson and Seabrooke argue that: “...conventional work in international

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<sup>433</sup> This is arguably reflected in civil society engagement of global governance, in which “...the privileged claim to speak for the subordinated, often with only limited if any direct consultation of the would-be constituents...”, as Jan Arte Scholte (2002: 296) points out. See also Brassett and Holmes 2008: 20-23.

political economy (IPE) has little to tell us about how our everyday actions transform the world economy” (Hobson and Seabrooke 2007b: 1). As such, they attempt to challenge orthodox accounts that rely upon rationalist explanations of agency through the creation of a “sociological framework for IPE” in which individual choices are envisaged as “being informed by historically and socially contingent identities and interests” (*Ibid*, 2; 9). However, they neglect to discuss how these identities and interests are developed beyond the social norms they are supposed to replicate.

Hobson and Seabrooke also provide a critique of neo-Gramscian IPE (e.g., Gill 1995) which, they suggest, discusses the imposition of hegemonic forces upon behaviour, but fails to explain: “...how the subordinate mediate and at times shape these so-called top-down processes”. In contrast, they: “...further the call for emancipation by revealing sites of agency, including cases where one would assume that there was little or no capacity for voice” (Hobson and Seabrooke 2007b: 4). In addition, Hobson and Seabrooke (2007a: 210) suggest that EIPE: “...opens up the ‘policy imagination’ that provides detailed and practical imagination for policy-makers”.<sup>434</sup> For Seabrooke (2007b: 392), this is to be achieved via engagement with historical sociology:

British political economy scholarship has trumpeted the cause of ‘historicizing’ the field of International Political Economy (IPE) for some time now (Amoore et al., 2000). But ‘heterodox’ British scholarship has been less forward in arguing that historicizing IPE would lead political economy to have greater policy relevance. And this is precisely where we can build a bridge to North American ‘orthodox’ IPE scholarship, as well as substantiate a broader claim on the relevance of the discipline as a whole.

Seabrooke reiterates Cohen’s (e.g., 2007; 2008) distinction between British and North American IPE and his call for their reintegration in order to respond to orthodox IR

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<sup>434</sup> Johnna Montgomerie (2009: 17) draws on Hobson and Seabrooke’s EIPE, which, she argues, “...provides a bottom-up framework for evaluating the impact of everyday actions of debt-based consumption”.

theorists' Peter Katzenstein, Robert Keohane and Stephen Krasner's (1998) critique that IPE "...suffers from limited policy relevance"<sup>435</sup>. In addition to his uncritical acceptance of the "split" between North American and British versions of IPE, Seabrooke's suggestion that greater policy relevance is necessary arguably highlights an example of the widespread view of the latter form of IPE as being synonymous with interventionism. Seabrooke's call for IPE to widen its "policy imagination" to include everyday activities is also influenced by Weber's (e.g., 1978 [1922]) notion of rationalization - the "constructs that an individual uses to make sense of their lives" - which Seabrooke relates to his notion of axiorational behaviour, which he defines as "belief-driven actions that are informed (not determined) by conventions and norms" (Seabrooke 2007b: 403).<sup>436</sup>

Arguably, this reflects a step towards Tooze and Murphy's call for an interventionist subject field that incorporates a complex notion of agency. However, like them, Seabrooke again fails to provide a clear explanation of from where agency is derived beyond these conventions and norms. In this he replicates the overly structural accounts of agency as displayed by figures such as Mead (e.g., 1934), Dewey (e.g., 1940) and Veblen (e.g., 1919 [1909]) and others that self-consciously identify with a reflexive ontology yet fail to explain where agency resides beyond social structures (e.g., Archer 1995; Bhaskar 1989; Hodgson 2002; 2007; Lawson 2003; Sayer 2007). Arguably, this is also due to the influence of Weber, whose acceptance of the partition of economic and non-economic rationality aided the separation of economics,

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<sup>435</sup> Katzenstein, P. J., Keohane, R. O. and Krasner, S. D. (1998) 'International Organization and the Study of World Politics'. *International Organization*, 52 (4): 645-685 cited in Seabrooke 2007b: 392.

<sup>436</sup> Seabrooke is also influenced here by Jens Beckert's (e.g., 2003) notion of intentional rationality (Beckert, J. [2003] 'Economic Sociology and Embeddedness. How Shall We Conceptualize Economic Action?' *Journal of Economic Issues*, 37 [3]: 769-787 cited in Seabrooke 2007b: 404). Seabrooke also draws more broadly on James. C. Scott's (e.g., 1976; 1978) notion of everyday politics (Scott, J. C. [1976] *The Moral Economy of the Peasant: Rebellion and Subsistence in South East Asia*. New Haven, CT: Yale University Press; Scott, J. C. [1985] *Weapons of the Weak: Everyday Forms of Peasant Resistance*. New Haven, CT: Yale University Press).

sociology and psychology in the post-*Methodenstreit* period, as discussed in 4a. To be sure, Hobson and Seabrooke's attempt to incorporate a complex notion of agency via the framework of everyday IPE fails to challenge rationalist assumptions of the self in a significant way.

As noted in 3.3.3, Smith demonstrated the importance of everyday knowledge over one hundred years before this rationalist separation occurred, the period in which James also rejected *a priori* judgments in favour of the conclusions that can be drawn from ordinary experience. As I have shown, both thinkers' focus on the importance of everyday knowledge production and its role in moral and economic growth reflects their arguments regarding the benefits that are brought to the individual and the society in which they inhabit when they are free to decide their own truths, morals, investments, mode of labour, and futures. Indeed, as Smith and James's shared opposition to "common sense" suggests, obstacles to such self-determination are contrary to natural liberty. As such, rather than entail a rejection of contemporary poverty alleviation strategies, Smith and James therefore facilitate a deeper understanding of their universalistic, top-down nature.

As I have discussed, Smith's (1976 [1790]) account of multiple impartial spectators and James's (1981 [1890]: 294) notion of alternate selves can additionally facilitate countenance of a plurality of moral standards that exist across time and space and among and within individuals whilst being cognisant of the contextual influences that affect and are affected by these individuals' actions. As such they supply to IPE a framework of the self that facilitates explanation of the fantastically complex nature of human agency in a manner that transcends the latent methodological prejudices that

are implicit in mainstream economics, in rationalist, institutionalist and constructivist accounts, as well as in orthodox and critical IPE.

I have attempted to show this in an ordered manner in this thesis. In Chapter One I analysed the development of the secondary debate on Smith in some detail. Whilst refuting mainstream interpretations of his thought, I also challenged heterodox authors that seek to assert Smith's "real" meaning via ironic or deistic interpretations of his "invisible hand" metaphor. In contrast to these authors, I argued that Smith's thought is best understood through recurring themes in his *oeuvre*. This enabled me to reject the *Adam Smith Problem* upon which orthodox views depend whilst demonstrating its ongoing significance. This permitted me to highlight the disparate nature of the heterodox debate whilst challenging those that consider the *Problem* to be of limited significance. As I argued, it is being reiterated across the social sciences, a point that I discussed in further detail in Chapter Four.

In Chapter Two I assessed the nature of the advances that Smith makes on his influences and his contemporaries that are versed in similar sources. This enabled me to demonstrate that, in contrast to his peers' appeal to an objective standard of virtue, Smith's notion of morality is based on individuals' reflection upon their own and others' motives. As I argued, this approach enables him to demonstrate the compatibility of economic and moral progress in the absence of religious teleology, a position that is unique among his peers. As I noted, Smith's emphasis upon self-determination is a key theme in his *oeuvre*, and is reflected in his account of a plurality of moral aptitudes and viewpoints that exist within society, an approach that I argued is developed through his conceptualisation of multiple impartial spectators.



As I suggested, Smith is also able to avoid moral relativism, as he observes common traits that are contextually interpreted by each individual.

As I argued, this focus on self-determination allows Smith to retain agency for these individuals whilst asserting the role of imagination in economic and moral growth. This relates to his commitment to the provisional nature of knowledge, a view also held by James, whose work I discussed in Chapter Three. Taking a holistic approach to James's thought enabled me to stress the compatibility of his views with those expressed by Smith. In particular, I focussed on these thinkers' concepts of the self, which, I have argued, can provide IPE with an alternative to that currently provided by neoclassical economics' reductive account of "rational economic man".

In Chapter Four, I demonstrated the necessity of such a framework. As I argued, Smith and James transcend the inductive-deductive divide that originated in the *Methodenstreit*, and which I suggested is demonstrated in the current tendency to bifurcate IPE into two opposing "camps" along methodological and geographical lines. I argued that this ignores IPE's pre-disciplinary roots, and Smith's polymathic thought in particular, which grants the subject field its unique position: "...at the interface of events which naturally straddle the artificial disciplinary boundaries of academic professionalisation" (Higgott and Watson 2008: 10).

I also argued that attempts to bridge this perceived methodological gap via the use of behavioural economics masks the shared rationalist underpinnings of both "camps" in IPE, which I suggested reiterates the *Adam Smith Problem*. As I argued, this highlights the obstructions that exist to the development of an alternative account of agency to "rational economic man" that critical IPE theorists ostensibly desire. I

demonstrated this through an investigation of Smith's and James's influence upon behavioural psychologists, rational choice sociologists, symbolic interactionists, new and "old" institutionalist economists, neopragmatists, critical realists, poststructuralists and social constructivists, whose attempts to move beyond the account of agency provided by neoclassical economics are being incorporated into IPE. As I argued, these attempts fail owing to their implicit commitment to the rationalist separation of economics from other areas of life that was instituted in the aftermath of the *Methodenstreit*. As I also highlighted, this failure is of particular significance to contemporary IPE as theorists are currently attempting to incorporate these accounts of agency into their analysis at a point when determined efforts to define the subject field are being made.

As I have demonstrated in this thesis, Smith and James provide a framework through which more complex accounts of the self can be introduced into IPE. As I have also shown, numerous attempts to engage with these figures have occurred and continue to take place across the social sciences. As such, my inquiry is not entirely atypical. My innovation here, however, is to have mapped connections between Smith and James in a detailed manner. This has facilitated my tracing of the influences of these thinkers on the social sciences, and identification of points at which their arguments have been distorted via figures on each "side" of the post-*Methodenstreit* divide. This has enabled me to contextualise IPE historically and theoretically in a manner that highlights its central position in the social sciences whilst allowing me to demonstrate the intellectual space that exists in the subject field for a Smith-James framework of the self, through which future research in areas such as poverty alleviation can be undertaken in a more complex and less prescriptive manner.

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