

Smith, Adam

Adam Smith (1723-1790) is one of the most influential systematic social philosophers in the history of western civilization. He founded political economy (now economics) as an independent discipline. Smith was a quiet radical, arguing against the status quo, whose observations of human nature and economic activity in Scotland and England continues to influence public policy during the current age of globalization. Smith's first book, *The Theory of Moral Sentiments* (1759), provides the ethical foundation for capitalism. His second book, *An Inquiry into the Wealth of Nations* (1776), provides a wealth of empirical evidence justifying the social benefits of a free market economy.

Background

Smith was born in Kirkcaldy, Scotland. His father, the seaport community's Comptroller of Customs, died six months before he was born. Smith's mother, assisted by tutors and wealthy guardians, ensured that her only child received a classical English education that emphasized the virtues of hard work and self-control. He was prone to illnesses and suffered from hypochondria as an adolescent and adult.

At age 14, Smith entered the University of Glasgow and studied moral philosophy under the guidance of Francis Hutcheson. While living in Glasgow, he observed the negative impact of protectionist policies and the benefits of free trade with the Americas. At the age of 17, he received a scholarship to attend Balliol College, part of England's Oxford University system, where he studied for the next six years.

After graduating from Oxford, Smith became a tutor and gave public lectures on rhetoric, moral philosophy and law in Edinburgh, the capital of Scotland. There he became life-long friends with the controversial atheistic moral philosopher David Hume, who was 12 years older than Smith. Much of Smith's later work in ethics built off Hume's writings. Hutcheson, Hume, and Smith were central figures in the Scottish Enlightenment (1740-1800). These three creatively systematic Scottish social philosophers helped to construct the ethical foundation of political and economic liberty in western civilization.

Theory of Moral Sentiments and Wealth of Nations

Smith obtained a teaching position at the University of Glasgow in 1751, where he became Professor of Moral Philosophy. He taught classes in natural theology, ethics, jurisprudence, economics, and politics. His lectures served as the basis for *The Theory of Moral Sentiments*. In this book, Smith develops his own science of morality based on the tensions between individuals' tendencies to be both self-interested and other-regarding. He concluded moral judgments are formulated by taking the role of an impartial spectator.

The immediate popularity of *The Theory of Moral Sentiments* attracted the attention of Charles Townsend, a volatile English politician who had served as Secretary-at-War and was the president of the Board of Trade at the time. Townsend would later author the Tea Act, which led to the Boston Tea Party uprising.

In 1763, Smith accepted a lucrative position tutoring Townsend's 18-year old stepson, the Duke of Buccleuch, for three years. Together, they traveled to France and Switzerland, where Smith studied their political and economic systems, discussed contemporary issues with leading intellectuals, and began writing *Wealth of Nations*. Smith returned to Scotland in 1767 and

continued writing his economic treatise, integrating historical, anthropological, sociological, political, scientific, and economic information; it was published in 1776.

In *Wealth of Nations*, Smith maintained that no society could flourish when a major portion of its population was poor. He concluded that government should not sanction monopolies. Instead, it should provide citizens the liberty to pursue their own economic interests to compete in business and labor markets, so long as they did not harm others in the process. Smith restricts the duties of government to providing a national defense, a system of justice, public works, and education.

Later Years

Smith spent his remaining years revising editions of *The Theory of Moral Sentiments* and *Wealth of Nations*. He also served as Commissioner on the Customs Board for Edinburgh, where he dealt with local economic issues, such as determining taxes on imported and exported goods, raising revenue in a fair manner, and smuggling prevention. Smith started writing two other books, one on jurisprudence and the other on a philosophical history of literature, but he destroyed both manuscripts shortly before his death.

Denis Collins

See also: Capitalism; Competition; Economic Liberalism; Empathy; Free Market; Hume, David; Invisible Hand; and Self-Interest.

Further Readings and References

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Ross, Ian S., 1995, *The life of Adam Smith*, Oxford: Clarendon Press.

Werhane, Patricia H., 1991, *Adam Smith and his legacy for modern capitalism*, New York: Oxford University Press.