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0521852471 - Adam Smith's Moral Philosophy: A Historical and Contemporary Perspective
on Markets, Law, Ethics, and Culture

Jerry Evensky

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Adam Smith's Moral Philosophy

Adam Smith is best known among economists for his book, *The Wealth of Nations*, often viewed as the keystone of modern economic thought. For many, he has become associated with a quasi-libertarian laissez-faire philosophy. Others, often heterodox economists and social philosophers, on the contrary, focus on Smith's *Theory of Moral Sentiments*, and explore his moral theory. There has been a long debate about the relationship or lack thereof between these, his two great works.

This work treats these dimensions of Smith's work as elements in a seamless moral philosophical vision, demonstrating the integrated nature of these works and Smith's other writings. Although many practitioners today see the study of Smith as an antiquarian exercise, this book weaves Smith into a constructive critique of modern economic analysis (engaging along the way the work of Nobel Laureates Gary Becker, Amartya Sen, Douglass North, and James Buchanan) and builds bridges between that discourse and other social sciences.

Jerry Evensky is Professor of Economics and Laura J. and L. Douglas Meredith Professor for Teaching Excellence at Syracuse University. He coedited *Adam Smith and the Philosophy of Law and Economics* (1994) with Robin Malloy and is the author of the textbook *Economics: The Ideas, the Issues* (2004). Professor Evensky serves on the editorial board of *The Journal of the History of Economic Thought* and served on the Executive Committee of the History of Economics Society from 1997 to 2000. He has published articles in the *Journal of Economic Perspectives*, *History of Political Economy*, *Southern Economic Journal*, *American Journal of Economics and Sociology*, *Scottish Journal of Political Economy*, and *Research in the History of Economic Thought and Methodology*.

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Syracuse University



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For Celia, Abby, and Jesse . . . with love.

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Preface

The realization of this book has been a long labor of love.

I began this research program in a graduate History of Economic Thought class taught at Syracuse University by Jesse Burkhead. Our interest piqued, Jesse offered a sequel to a small group of us. In that latter class, I focused on Adam Smith. I read, reflected, wrote, and through that process I began to develop a hypothesis regarding Adam Smith's moral philosophy and its relationship to the modern discourse. My commitment to the project grew and, with Jesse as my advisor, I wrote a dissertation titled "Expanding the neoclassical vision: a proposal for recapturing the lost legacy of Adam Smith."

With that graduate student beginning as a point of departure, my subsequent efforts have involved a constant process of iterative hypothesis development: refining my hypothesis regarding the logic of Smith's moral philosophy on one track, and on another developing my understanding of how that first track informs a constructive critique of the modern discourse in economics and its relationship to the larger domains of social science and social philosophy.

My ideas have evolved as follows. At every stage, I challenged my extant hypothesis regarding Smith's moral philosophy by reading and reflecting, always asking myself: Is it consistent with the original Smith texts, with what I've learned from the secondary literature on Smith, with Smith's historical context? As I challenged my hypothesis, new ideas emerged that changed or complemented that hypothesis.

At each new stage, with a revised hypothesis in mind, I returned to the literature with a new eye to challenge that new hypothesis. Each such iteration of rereading works and expanding the scope of my reading led to a

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continuous evolution in my thinking. With copious notes in hand, I would synthesize what I had learned from challenging my existing hypothesis and produce an article that almost invariably added new dimensionality and, I believe, more maturity to this evolving hypothesis. These articles would generate critiques from colleagues which, in turn, led to more reading and more reflection. Step by step, article by article, my comfort with my hypotheses regarding the content of Smith's moral philosophy and the relationship of that moral philosophy to the modern discourse has grown.

The year I spent writing this work was an intensely demanding and enjoyable immersion in this process of reading, reflecting, synthesizing, writing, and yet again reading, reflecting, synthesizing, writing, and yet again. . . . I thank Syracuse University for the sabbatical that afforded me the intellectual space to engage in this intensive process.

My goal for that year was to pull together all the pieces of my work along both lines of inquiry, Smith's moral philosophy and its relationship to the modern discourse, in order to produce a synthesis that offers an integrated, holistic representation of Smith's moral philosophy, weaves that analysis into a constructive critique of the modern economics discourse, and builds bridges between that discourse and the other social sciences. I promised myself that I would not submit my manuscript until I was very comfortable with the synthesis I had to offer. When I reached that point I submitted the manuscript. Now you hold the book.

I am responsible for this work, and you will judge to what degree I have achieved my goal. But whatever your judgment, I must acknowledge those who nurtured and encouraged me, and in doing so made it possible for me to produce this work.

First and foremost I must express my appreciation and love for the grandparents I knew and loved, Abe and Yetta Kapelow, and to my parents, Sylvia and Herbert Evensky. They ensured that I had the educational foundation to pursue my dreams and they nurtured me to do so. That alone would be wonderfully good fortune, but I was an especially lucky kid, for I had several families that made me theirs and offered me different dimensions of love and nurturing that have supported me and empowered me.

The Gilmans, the Kops, the Barkoffs, my Cohen cousins, my Uncle Nathan and Aunt Elsie, and the Kapelows . . . from my earliest days each of their homes was my home, each of their families was my family . . . and they still are. Since those days, I've been embraced by and have embraced more families that have enriched my life: the Frickes, the Fishers, the Trujillos, the Moiseyevs, the Franeyns, the Robertsons, the O'Connors, the

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El Hassan/McIntyres, the Kamps, the Jenkins, the Janks, the Hymans, the Malloys.

Along the way, I've had teachers and mentors who believed in me, cared for me, pushed me, and opened windows in my mind: Herbert Behrend, Margaret Grout, Norris K. Smith, Trout Rader, Lewis Hoffman, Max Wolfrum, Don Phares, Jerry Miner, Larry Samuelson, A. Dale Tussing, Bob Wolfson, Bill Stinchcombe. And of course there are the dear family, friends, and colleagues who have kept me smiling with the good times we share and have inspired me by their goodness and their good work: My brother and sister – Harold and Barbee – Martin Gilman, Rupert Barkoff, John Kops, and Charlie Carrera have been there for me since childhood. Bill Fricke became a dear friend in college. Since college, I've been blessed by sharing my path with Tom Franey, Vron Murphy, Jean LeLoup, Agnes Gregg, Paul O'Connor, Hussein Mirghani, Mazen Elhassan, Jeanne Hossenlopp, Barry Berg, Bob Diamond, Dee Ficarro, Don Dutkowsky, Robin Malloy, Jay Meacham, Joe Mercurio, Frank Wilbur, Jerry Edmonds, Robert Rubinstein, Mariana Lebron, the wonderful Syracuse University Project Advance teachers with whom I work, the ever helpful and caring Economics Department staff, my dear friends in the History of Economics Society with whom I enjoy a rendezvous once a year – Bert Barreto, Ross Emmett, Sherry Kasper, Neil Skaggs, Bo Sockwell, and many more wonderful HES colleagues including some thanked below for their specific help on this project – and, last but not least, the very nice women who greeted me in the Schine Student Center cafeteria each morning before I headed off to the library to work . . . with a smile, a kind word, and a cup of coffee.

Several people have been especially instrumental in helping me as I've developed my ideas for this work. I'm responsible for the ideas, but the support, encouragement, and invaluable feedback of these people have allowed me to realize this presentation of those ideas. First and foremost among these special people is Jesse Burkhead.

Jess was first my teacher, then my mentor, and finally my friend. He has passed away, but in his day he was everything I believe a scholar, in the finest sense of the word, should be: ever willing to learn, always wanting to learn, careful when he wrote, caring when he dealt with people, committed to making a contribution that made life better for the many, and committed to the integrity that makes life and liberty secure for all. As a scholar he is my role model.

Bob Heilbroner reviewed the first piece I ever submitted on Adam Smith. I know this because he allowed the editor to send me the full

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letter with his review, including his signature. Chutzpah demanded that I follow up, so I wrote to him thanking him for his valuable comments and asking a few questions. So began the many years of support and encouragement he offered me. I only met Bob once, briefly, in person. But the correspondence we shared allowed me to come to know him as a good and caring person, and an incredibly insightful scholar.

Warren Samuels has pushed and prodded and opened up opportunities to countless aspiring scholars. I am blessed to be in that number. Many years ago, when I wrote a lengthy commentary on a book for one of Warren's countless edited editions, after reviewing my draft he wrote me back with a very short charge: "Where's the Evensky in all of this?" That had a liberating effect on my mind. Warren invited me to find my own voice and I loved it. When I began my year of writing this work, the first person I turned to for feedback was Warren. He responded, and responded, and responded to countless queries on my part. I am deeply indebted to him for helping me get this project well underway.

In the course of developing this work, I've asked many folks for feedback and suggestions and I've benefited very much from the help I've received. A few of those whose feedback has been particularly valuable include: James Buchanan, Jerry Kelly, Avi Cohen, Robin Malloy, Edward Harpham, Leon Montes, Glenn Hueckel, Jeff Young, and James Alvey. I am also grateful for the excellent guidance I received from three anonymous reviewers.

Finally, I want to say a word about two editors with whom I've had the pleasure to deal in the course of this project.

Craufurd Goodwin is the editor of the journal *History of Political Economy* and is also the series editor for this book at Cambridge University Press. Most of my Smith work was developed in a series of articles in *HOPE*, so over the years I've had many an opportunity to interact with Craufurd as an editor. I cannot imagine a better person for that job.

Craufurd is the first and only editor of *HOPE*. Over the years, he has made the journal a treasure for those of us who choose to explore this dimension of ideas. His constant commitment to quality and care has earned *HOPE* the highest respect across the economics profession. Thus, he has built and sustained a respected outlet for our work in that realm of ideas. And as an added benefit for all of us, he's done this service with a wonderful wit and a ready warmth that makes it a pleasure to work with him.

Scott Parris is the Senior Editor for Economics and Finance at Cambridge University Press, Americas Region. I've known Scott for

more than ten years. Many years ago, I told him of my planned project, and in an annual rite of early summer at each year's History of Economics Society Conference he would kindly ask me, "So how's the project coming, Jerry?" To which I would reply, in understatement, "Slow but sure."

When, finally, I had the prospect of a manuscript the following year, Scott gave me invaluable advice on how to think about the flow of my presentation vis-à-vis potential audiences and, given that a Cambridge acceptance was by definition a challenging prospect, he gave me advice on other houses to which I might consider submitting my manuscript. At every step of this process, Scott has been the consummate professional, and a kind and caring human being. It has been and remains a real delight to work with him.

Most of what you have here is new, but there are pieces from earlier work embedded in this work. I thank the journals *History of Political Economy* and the *Southern Economic Journal* for permission to use pieces from articles that previously appeared in those journals, and similarly I thank Kluwer Academic Publishers for permission to use pieces from a chapter I wrote for a book I co-edited with Robin Malloy. Chapter 10 is closely drawn from an article in the *Journal of Economic Education*. I thank the *JEE* for permission to use that piece.

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