

PHILOSOPHY, HISTORY, AND METHODOLOGY OF ECONOMICS

New Perspectives on Adam Smith's

The Theory of Moral Sentiments

Geoff Cockfield, Ann Firth, and John Laurent (Editors)

Cheltenham, United Kingdom: Edward Elgar, 2007 (170 pages)

This book should be read by everyone interested in exploring the complexity and relevance of Adam Smith's moral theory. Nine authors, including the editors, explore key issues from *The Theory of Moral Sentiments* (TMS). Two features that set the book apart from many sources on Smith's work are, first, the careful exegetical nature of the papers, and second, the vast scope of the literature referenced. Each issue discussed is placed in its philosophical and historical context and debated with reference to contrasting arguments in the relevant literature. Conclusions are presented and extensive bibliographical material is listed for further exploration. The book presumes a basic knowledge of Smith's moral theory, but a prior engagement with the historical issues of Smith's work is not required for a meaningful reading of the papers. Few other sources can match the depth of analysis on this topic in so small a space.

The introduction sets the agenda by describing several overarching themes involved in interpreting TMS. The social, political, and religious debates of the time helped Smith and other Enlightenment writers adapt their sources to their purposes. The Scottish Enlightenment is presented as being opposed to the rigidities of the Scottish Presbyterian Kirk, but it is not viewed as antireligious. Also, the literature of Smith's time was exploring the view that human emotions are essential for a full understanding of the self. Finally, moral philosophy as a natural process integrated into the social and natural sciences freed ethical theory from the notion of clerical authority based on revelation. These signs of the

times were novel in the seventeenth and eighteenth centuries, and they form the background required for an appropriate reading of Smith's TMS. What also might be considered new in this book is the effort to explore the influence of Greek philosophers on Smith. Where the book explores Smith's view of the self, it reinforces the generally accepted view that the old "Adam Smith problem" is dead.

In the first chapter, Lisa Hill explores how Smith's view of sympathy corresponds with the Platonic notion of thumos. For Plato, the person's soul is composed of three parts: the rational, the desiring, and the spirited. The spirited is what causes us to be concerned with how we are viewed by others, and this concern provides social control for the human passions. Providence designed humans this way and the result is a social system well ordered and prosperous. For Hill, the thumos of Plato and the sympathy of Smith are similar, with both promoting justice, virtue, work, and economic growth. Both have teleological roots, being part of the design of the creator.

Richard Temple-Smith, on the other hand, takes a nonteleological approach to Smith's moral theory. He separates Smith from Aristotle by pointing out that Aristotle made virtue a choice by reasoning toward an acceptable mean while Smith approaches virtue from the instincts, which are then socially approved. According to Temple-Smith, because Smith does not blend sentiments and reason he has a sociological view of ethics that does not involve a telos or foundational view of nature.

Peter Clarke builds the case for teleology in Smith's work by identifying the Stoic influence on Smith regarding order and a systemic approach toward the design of creation. Following his teacher and mentor, Francis Hutcheson, Smith replaces the Stoic reliance on fate with a creator God, but he has a more socially determined metric for moral behavior than the innate moral sense proposed by Hutcheson. Clarke rejects the notion that Smith became more secular over time, claiming that Smith's apparent antireligious tone in the sixth edition of TMS must be seen as a reaction to the oppressive Kirk in Scotland at the time. In this view, the Scottish Enlightenment was not an antireligious movement but, rather, a movement to reform and modernize the Kirk.

James Avery reinforces Clarke's view by pointing out that, over time, Smith moved more toward the impartial spectator and a God-creation directed moral theory. This came in response to the criticism leveled at Smith's first edition, which charged that his moral theory was relativistic—determined by the masses rather than by foundational principles.

Jack Barbalet and Ann Firth both deal with the evolving view of the self and the movement toward a "looking glass" view of personhood. The seventeenth century saw a movement away from the Augustinian view of the passions as evil. The passions became viewed as more complex, serving both good and bad purposes, while the emotions were viewed in a more sociological context. Firth extensively explores the similarities of Smith's view of the moral life and the moral theory of Immanuel Kant. Both have high regard for general rules to which people adhere and thereby overcome the deception of the inner self. Both see a divided self where the immediate desire-self and the higher impartial spectator-self of Smith parallel Kant's deluded-self and moral-self. While the impartial spectator works to bridge the gap between human imperfection and the deity,

Smith is a realist who views the moral process as an ongoing dialogue rather than a movement toward perfection.

The final two chapters deal with the relationship of Smith's work to the evolving scientific work of the eighteenth century. David Thorpe reviews Smith's knowledge of engineering and his appreciation of systemic beauty. John Laurent and Geoff Cockfield explore Darwinian evolutionary concepts and whether altruistic and cooperator models of behavior can fit Smith's invisible hand or Darwin's survival of the fittest ideas. They conclude that there is a significant difference between Smith and Darwin. Smith saw the evolutionary process as physical and social and working toward the design of the Creator who had the happiness of people as the goal. For Darwin, there was physical and social evolution, but it was a process that proceeded without an end in place and, consequently, there was no ultimate designer.

It is hard to generalize about a book with nine different authors, but the careful reader will likely come away with a sense that this "new" reading of TMS supports the view that Smith had not abandoned his religious roots and become a modern secularist. Moral behavior is determined by the complex interaction of human passion, one's need for social approval, and the impartial spectator. All of these conform to the design of God in nature and, when coupled with the proper social institutions, such as orderly markets, they lead to a coherent and prosperous society. While this view may be new to those still seeing Smith's system as dominated by narrow self-interest moving toward universal opulence, it is now the generally accepted view of those who see sympathy, the impartial spectator, nature, and the design of the Deity in the eighteenth century context of the TMS. This book not only enlightens us on these topics, but it stands as an exemplar of good exegetical work in the history of economic thought.

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Entrepreneurship and Economic Progress

Randall G. Holcombe

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Entrepreneurship and Economic Progress is divided into three parts. The first relies heavily on two articles published by the author in 1998 and 2001 on the economics of entrepreneurship (chapters 1 to 7). The second develops the implications for policy making (chapters 8 and 9), while the final part explores analogies and differences between entrepreneurship in the market place and in the political environment (chapter 10).

Overall, this is an excellent treatment of the Austrian approach to growth and development. Quite appropriately, the author explains at great length that while the mainstream view insists on the extensive notion of growth (more input leads to more output), the Austrians introduce entrepreneurship and are therefore able to maintain that growth is also—if not mainly—a matter of progress: new products and new technologies. Thus,