

The Oxford Handbook of Adam Smith
Christopher J. Berry, Maria Pia Paganelli, and Craig Smith
(Editors)

Oxford, United Kingdom: Oxford University Press, 2013 (622 pages)

The scholarly world marked the 250th anniversary of the publication of Adam Smith's first book, *The Theory of Moral Sentiments (TMS)*, in 2009. This handbook has its partial genesis in the memorial conference Christopher Berry organized at Glasgow University, Smith's home when *TMS* was originally published. Berry's and his fellow editors' self-proclaimed purpose in the handbook is simply to contribute to the recognition of the "full richness and complexity, the depth and breadth of his work" (v). From this perspective, the handbook is a resounding success. The editors are to be congratulated for bringing together Smith scholars from the wide-ranging and now distinct disciplines to which Smith has made significant contributions.

The book is very well organized into seven parts, each of which contains four chapters. Being a handbook, each chapter is a stand-alone, original contribution written by a leading scholar in the subject area. The first four parts follow a roughly chronological trajectory through the development of Smith's thought from the history of astronomy through the *Wealth of Nations (WN)*. Thus, the first part on Smith's heritage and contemporaries contains entries on Smith's biography, some of his earliest writings on astronomy and Rousseau, and a chapter on his early modern predecessors. The Edinburgh lectures on rhetoric also come from Smith's pre-*TMS* period. Part 2 thus focuses on aesthetics, literary criticism, poetry, and language. Part 3 on moral philosophy takes up Smith's analysis of sympathy in moral judgment in two chapters. Smith on virtue and self-interest round out this part, and part 4 is on economics. Here there are two chapters on the analytical core of *WN*, one on Smith's monetary theory, and one on the interaction of markets and morality. The remaining three parts are more topical in nature. Part 5 deals with history and politics, which relate to the treatise Smith promised his readers on law and government that was only partially fulfilled in *WN*. Part 6 takes up a set of issues broadly defined as "social relations." Here we have a chapter on civility and one on religion. The following two chapters deal with Smith on equality and on women respectively. The final section, part 7, naturally raises the question of Smith's legacy, and we find chapters on Smith's influence on Marx and on Marx's ideological opponents, characterized as the "New Right" in this context. Smith's moral theory once again takes center stage in the two final chapters, of which the last is Amartya Sen's plea for setting the record straight on Smith and suggestion that his concept of the impartial spectator could usefully inform modern cross-cultural, international debates in which local customs come into conflict with Western ideals of human rights.

There is not even enough space in a short review of this nature to list the chapter titles and authors, much less offer even the briefest summary of their content. I will simply suggest that readers of this journal will find much stimulating material here. For example, the moral status of commercial societies is one theme that runs through several

contributions, from Dennis Rasmussen's chapter on Smith's interaction with Rousseau's critique of contemporary society, to Ryan Patrick Hanley on virtue theory, to Spiros Tegos on corruption.

Maria Pia Paganelli's chapter on markets and morality stands out as of particular interest to readers of this journal. It is the only piece that attempts to integrate *TMS* and *WN* from an economics perspective. She argues that there is a synergistic relationship between markets and morality: They mutually interact in ways that promote both morality and economic success. She offers three arguments on how markets promote morality. First, economic growth fosters life—a point that Smith makes in both *TMS* and *WN* with respect to infanticide and euthanasia. Second, institutional development fosters individual liberty over dependency. Third, markets generate interaction with strangers, which promotes the development of impartiality in moral judgments.

A third issue would be Smith's status as an egalitarian. Samuel Fleischacker reviews the evidence pro and con on Smith on equality. His chapter is an excellent short introduction to the issue of egalitarian sentiments in Smith's moral and political theory. He makes the important distinction between moral egalitarianism (according every person equal moral worth) and sociopolitical egalitarianism (focusing on equality of income, wealth, and power). He notes that the field of interpretation is contested on both counts and—especially regarding the latter—fraught with anachronism. He additionally draws a distinction between normative and factual egalitarianism. He concludes that Smith was a moral egalitarian who also accepted some aspects of sociopolitical egalitarianism.

While I continue to hold that Smith was not an egalitarian in the sociopolitical sense, I would strongly agree with Fleischacker's concluding judgment here. Smith's moral theory teaches us to humble ourselves, and the office of the impartial spectator is to show us that we are one of the multitude, no better or worse than anyone else. Moral egalitarianism is therefore an inherent feature of Smith's normative ethics. However, he also endorsed inequality of social class and its role in establishing order and governmental authority in society. He was not a revolutionary or a Leveller. In that sense he was not an egalitarian. However, he did endorse some redistribution through mildly progressive taxes, especially through dismantling the regulations of the mercantile system, which favored the rich over the poor. He also held to a welfare standard that privileged the bottom 51 percent of the income distribution, so he certainly favored some aspects of contemporary views on sociopolitical equality.

There is much more of value in this handbook, and readers of this journal as well as historians of economics will find it a very useful reference. However, I cannot give it a whole-hearted endorsement. While the project of setting the record straight on Smith and showing the depth and breadth of his thought is excellently accomplished, I found the two chapters on Smith's analytical economics problematic. For most of the nineteenth and twentieth centuries, Smith's legacy has been as the "father of modern economics." Mainstream and Marxian economic analysis both emerged from the analytical economic theory of *WN*. The expositions of Smith's economics come from scholars of a modern, heterodox school of Sraffian economics—albeit very good ones who are knowledgeable

about Smith's text. This is not the place to enter into a detailed theoretical critique of the Sraffian interpretation of classical economics in general or of Smith in particular. However, I will simply point out that not giving contemporary mainstream economists a voice in expounding on Smith as an economic theorist seriously distorts noneconomists' view of Smith's analytical system.

To make matters worse, the only mainstream voices come from the "new right"—a pejorative usage in and of itself (why "new right" and not "classical liberal"?)—and then only mediated through the ideas of Friedman, Buchanan, and Hayek. Fleischacker notes the existence of a "left" and a "right" Smith (485). The left Smith is well represented throughout the volume, while the right Smith gets fairly short shrift. This may, of course, simply be the result of recovering the "real" Smith and of setting the record straight after years of distortion and caricature. However, at least a more mainstream view of Smith the economist would have been in order, as well as his well-founded and prescient warnings about the "man of system."

Finally, in a volume as beautifully produced and elegant as this one and coming from a prestigious university press, one would not expect to find the large number of careless typographical, proofreading, and sundry errors that occur throughout the book. The misspelling of the name of my colleague, Steve Horwitz (405), is just one example.

—Jeffrey T. Young

St. Lawrence University, Canton, New York

The Philosophy of Economics: A Contemporary Introduction

Julian Reiss

New York and London: Routledge, 2013 (321 pages)

In his introduction, Reiss cleverly hooks his readers by hanging distinctions among theoretical, methodological, and moral problems on the 2008 economic crisis. While I *might* be willing to forgive him for quoting Paul Krugman in such a context, I cannot forgive him for discussing everything from the failures of the neoclassical model, to econometric methods, to the integrity of the bankers while overlooking entirely the role of the state in setting up perverse incentives for risky investment. Reiss accomplishes, quite masterfully, what he sets out to do: Create a compendium of the current mainstream debates in the philosophy of economics. My only complaint is that the tenor of the current discussions is not always the best guide to what is genuinely important.

Notwithstanding its sins, *The Philosophy of Economics* is a well-constructed guide to an underserved subdiscipline. While all of the social sciences are waging an almost constant war of self-definition, it might be argued that the identity of economics has the greatest practical bearing. Nations rise and fall according to the economic policies they institute, changing quite rapidly in comparison to changes in other cultural phenomena—just think of the economic revolutions that have occurred in the last twenty years due to