

# **Title: Political economy and personal ethics: *Das Adam Smith Problem Revisited***

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## ***Abstract***

Nineteenth-century German philosophers created for themselves an ‘Adam Smith problem’, which they defined as the apparent disjunction between Smith’s individualist political economy and his generally civic-minded moral theory. Subsequent historians of economic thought have either echoed this view, or else attempted to resolve the apparent disjunction by reference to the ‘civic humanist’ elements in Smith’s political thought. This paper argues that both postures are in good measure misleading and unnecessary. The ‘Adam Smith problem’ is a product of the prejudices and amnesia of modern moral philosophy, and the view of Smith’s social thought as individualistic is anachronistic and unhelpful.

The paper focuses upon the familiar introductory discussion of the division of labour in the *Wealth of Nations*. It contends that these passages, so far from being a statement of an individualistic political philosophy, are instead a close adaptation of convention classical moral precepts from the perspective of the ethics of ‘office’. According to this view, our personal moral relationships are best understood as a network of personal obligations characterised by an attempt to harmonise the calls of honourable behaviour and utility. These mutual obligations are capable of being reckoned according to a kind of moral calculus. This view in turn is based upon the classical Stoic presumption that the basis of a well-ordered moral personality is a healthy degree of self-love. And it assumes a picture of moral personality as specific to our individual temperaments and ‘offices’ in life.

According to Smith’s neo-classical personal ethics what subsequent economists have called ‘the market’ is the economic manifestation of our mutual ties of personal moral obligation, while the division of labour is both created by and helps to shape our individual and specialised moral personalities. The intended outcome of such a moral-economic system is not economic ‘individualism’, but rather the socialisation of the forces of personal mutual obligation. ‘The market’ is the means towards rather than the end of such a system.