

Smith on Teleology: A Reply to Alvey

Richard A. Kleer*

James Alvey¹ likes much about my interpretation of the role of teleology in Adam Smith's *Wealth of Nations* but finds five gaps and two major flaws. I shall not comment on his summary of my original article, since it is very good and entirely accurate. I proceed directly to the purported gaps and flaws.

While it is true that I did not define teleology in so many words, it was the implicit burden of the first several paragraphs of my paper to give the reader a clear sense of what I mean by the term. I do not think that subscribers to a history of economics journal need (or want) to know about the long-term rise and fall of the doctrine. I admit it would have helped to note that teleological tenets were widespread in eighteenth-century Europe and taken very seriously by renowned scholars, among them Smith's own teachers and friends (as has been demonstrated for instance by Moore 2000, Ross 2000 and Tanaka 2003).

Alvey wonders whether I agree that Smith also adopted what he calls an 'historical teleology' or the idea of a 'providential path through history'. As the concept is a little vague, I found it useful to consult his recent book (Alvey 2003), where it is explained at much greater length. There Alvey argues at great length that Smith regarded commercial society as the '*telos* of history'—the endpoint of cultural development to which nature has destined humanity (pp. 79-115). I am sceptical. For other well-known ends of nature we can find numerous passages in which Smith explicitly names them so. To make a case for commercial society, by contrast, Alvey must proceed by indirect means—pointing out for instance that on Smith's account commercial society ultimately derives from the natural propensity to truck, barter and borrow (p. 89). I do not find this kind of evidence compelling. But even were I to concede the point, it does not necessarily follow that Smith's historical teleology exhibits inherent problems. Again one must turn to Alvey's recent book to grasp his point fully. He tries first to persuade us that Smith considered commercial society the inevitable and permanent outcome of historical development (pp. 96-108). Later he poses it as a conundrum that in other respects Smith seems clearly to acknowledge it is neither inevitable nor permanent (pp. 215-27). The dilemma, it seems to me, is false. The evidence for inevitability and permanence is thin and susceptible to alternate interpretations. I am much more persuaded by Alvey's well-documented case that the reverse finding is often to be found in Smith's writings. Rather than posit a conundrum, my inclination is to conclude that Smith's brand of teleology was exceedingly loose. Nature intends population growth and human happiness, and these goals are indeed realised more effectively in a commercial than in say a pastoral society. But actual human societies can easily fail to reach this stage or, having once reached it, may regress again to some less happy state. Smith foresees no final, stable stage of human history.

Alvey asks whether I agree with Denis (1999) that in Smith's conception the ends of nature pertain only to the species as a whole, not to individual human beings. Alvey also complains that I neglected to enumerate the ends of nature and wonders whether my list is as extensive as that provided by Hill (2001). Let me atone for past sins. To my mind the principal ends of nature are indeed very much

as Alvey has stipulated: self-preservation, propagation of the species, social order, moral perfection and the maximum possible amount of general happiness. Hill excludes moral perfection from this list and adds material comfort, prosperity, and 'progressivism in human affairs' (Hill 2001, pp. 10-11). If by perfection we mean only a state of grace or other orthodox Christian doctrines, I would accept its exclusion. But I do not agree that Smith reduces his teleology exclusively to utilitarian terms. For Smith moral excellence or perfection is very much an end in itself (Smith [1759] 1982b, II.iii.3.2). Proper and virtuous conduct has an intrinsic 'beauty' that cannot be reduced to utility (*ibid.*, IV.2). I know of no passage in which prosperity or material comfort are explicitly named as ends of nature. Smith considered Britain one of the most wealthy societies in history. Yet he would never have described its labourers as prosperous; they were rather the 'labouring poor' (Smith [1776] 1981, I.viii.26-27, pp. 30-1). In his system only a few are prosperous or materially comfortable; but most are nevertheless happy. It is certainly correct to say that for Smith perfection and human happiness work themselves out progressively over time. But I hope it was only a momentary lack of caution that prompted Hill to rank progress itself among the ends of nature. I do indeed concur with Denis. Nature promotes 'the *general* order and *happiness of the whole*', the 'happiness and perfection *of the species*', the 'happiness of *mankind*' (Smith [1759] 1982b, I.ii.3.4, II.iii.3.2, III.5.7; emphasis added). Admittedly Smith expressed support for the idea that 'all the inhabitants of the universe, the meanest as well as the greatest, are under the immediate care and protection of that great, benevolent, and all-wise Being' (*ibid.*, VI.ii.3.2). But the goal of that Being is only to maintain the 'greatest possible quantity of happiness'; and wise people understand that their individual well-being must sometimes be sacrificed to this larger end (*ibid.*, VI.ii.3.2-3).²

If Smith genuinely believed that nature exhibits a benevolent design, how to account for the many imperfections he admits in the natural order? Alvey asks me to choose between two possible solutions I proposed to this conundrum: that apparent evils serve to advance the greater good, and that nature was economical, choosing mechanisms that ensured the broad success of its main aims but not perfection in every detail. I do not see why one must choose one or the other, since Smith clearly used both approaches. That fact alone, by the way, means he could not have been a 'thoroughgoing optimist' (Alvey 2004, p. 140). I cannot say whether the second approach was orthodox at the time, though one strongly suspects this, given that Smith simply tossed the idea out here and there without belabouring the point. I do not believe that attributing economy to nature makes its lesser ends effectively non-functioning. My original emphasis on 'main ends' was unfortunate. I should have distinguished between two separate points here. Some of nature's ends (propagation of the species, self-preservation) have a higher priority than others (social order, happiness of the species, moral perfection of humankind). But nature aims for broad success in all its ends, not just those of the highest priority. Its designs can certainly be stymied, even in the essentials and for long periods of time (witness the case of feudal society). Natural tendencies toward benevolent outcomes nevertheless remain operative throughout. Smith, for instance, was at considerable pains to show how the love of praiseworthiness (the desire actually to merit others' approval) gradually (one gets the feeling that he means over generations) produces individuals of the greatest moral character (Smith [1759] 1982b, III.2-3). This slow, insensible process is constantly at work, even in societies whose moral judgements have in many respects been corrupted by the

influence of fortune. And any deviations from nature's plan are usually the result of behavioural traits that are highly beneficial in the normal run of events. Heinous practices (for example, infanticide) have upon occasion been sanctioned by long custom. But custom heightens the power of moral codes, which usually work against 'evil' (*ibid.*, V.2.2).

Alvey feels that I have missed a major inconsistency in Smith's teleological framework. Specifically, despite professing a belief that the natural order will work itself out on the basis of instincts alone, Smith often 'smuggles' in a substantial role for human reason (Alvey 2004, p. 140). This is especially clear, Alvey suggests, in Smith's call for enlightened statesmen to take on the battle against Mercantilism. Alvey also seems well-disposed toward the view that over time there was a 'slow but inexorable transformation of Smith's thought from the belief that the unintended result of human actions would be to move society toward the Deity's Design, to the belief that humans must be active agents in realizing that end' (Evensky 1989, p. 126; see also Tanaka 2003, pp. 144-5). After moving to London in the early 1770s, so the argument goes, Smith became aware of the intensity of opposition to trade liberalisation coming from self-interested merchants and manufacturers. This led him to doubt whether the natural order could be trusted to win through on its own. Consequently he began advocating deliberate intervention by policymakers to break the back of Mercantilism.

Smith does not seem to me to be inconsistent in recommending 'a wide range of market interventions' (Alvey 2004, p. 140) or allotting a significant role to statesmanship in the battle against Mercantilism. In emphasising that economic growth was constantly being driven from behind the scenes by natural instincts, he never meant to suggest that the system of natural liberty could be depended upon to realise itself. The point was rather to undermine the belief, widespread among contemporaries, that in the absence of protective measures Britain's foreign trade and national wealth were certain to decline (see Kleer 1996). In asserting the existence of a natural teleology, I would argue, he was clearing the way for a different kind of statesman from, say, the elder Pitt. Nor do I believe that Smith turned from nature to statesmen after suddenly discovering the merchant 'interest' in the early 1770s. Already in his *Lectures on Jurisprudence* he was recommending changes to Britain's system of 'police' or economic policy that would have required abolishing or altering existing statutes (see for instance Smith [1759] 1982b, pp. 362-6). In the chapter on money in the 'Early draft' of the *Wealth of Nations* (Smith [1759] 1982b, pp. 575-8) he attacked Mercantilism and 'unjust monopolies' and urged peace and free trade with France. The draft was probably written during or not long after the Seven Years War (1756-1763) with France. Like his contemporary Horace Walpole in 1762, Smith would have known at the time that the contest was being fought 'for the interests of the merchants' (cited in Kammen 1970, p. 91). Smith himself noted in 1778 that 'the Spanish war which began in 1739, and the French war which began in 1755, were undertaken, the one chiefly, the other altogether on account of the colonies' (Smith 1987, p. 382).

Finally, Alvey feels that I have ignored an important problem for Smith's teleological system. Economic growth is either an end of nature or a very important means for achieving its ends. Yet Smith announced that in the ultimate end of history, the stationary state, economic growth comes to an end and life becomes hard and dull for the masses (Smith [1776] 1981, I.viii.43). Nature, it seems, fails to deliver on one of its key ends. I do not agree that the idea of a stationary state constitutes an insoluble problem for Smith's teleological system. From the

celebrated tale of the poor man's son (Smith [1759] 1982b, IV.1.8-10) it is clear that Smith considered economic growth a means for embellishing human life (perfection), employing the poor (happiness and social order) and increasing population (propagation of the species), not an end in itself. The one goal of nature that encompasses all others is maximising the quantity of human happiness. It is impossible to conceive of a society that goes on growing forever; there are physical limits to the quantity of happiness that is possible. The stationary state represents this maximum. Labourers' wages are not as high as in the progressive state, but there are as many people as possible, and they live in a society that is well-ordered, culturally refined, and (dare we say?) morally upright. Consider after all that Smith offered civilised, bustling Holland as the case of a region very near the stationary state (Smith [1776] 1981, I.ix.20). Another possibility is that Smith simply failed to recognise the concept of a stationary state was inconsistent with his larger teleological system. After all, he had larger fish to fry. One of the main objectives in this chapter of the *Wealth of Nations* was to combat contemporary campaigns for legislative reductions in wage rates. The case for lower wages was often argued on the grounds that at current rates British could not compete with French manufacturers and that as a result the country was in sharp economic decline (Hont 1983, p. 299; Kleer 1996, pp. 327-30). Smith argued by contrast that if British wages were high it must mean the economy was flourishing (Smith [1776] 1981, I.viii.42); by implication, were Britain in economic decline, wages would already be low. The idea of a stationary state, that is, helped Smith make the larger case that economic growth was natural and that British legislators could dispense with illiberal and unjust measures designed to reverse its alleged economic decline.

I thank Alvey for his sympathetic and discerning summary of my original article. I do not think my account has as many gaps or flaws as he alleges. But I welcome the opportunity to clarify and refine my views on the interesting and important questions he raises. I urge the interested reader to consult Alvey's recent book, in which many of the same points are made in greater detail. There is much there to be learned about Smith's intellectual system and the role that teleology plays in it.

* Department of Economics, University of Regina, 3737 Wascana Parkway, Regina, Saskatchewan, Canada S4S 0A2. Email: richard.kleer@uregina.ca.

Notes

1 I wish to thank James Alvey for his most helpful and gracious commentary upon earlier drafts of this reply.

2 In his recent book, Alvey purports to find evidence against Denis's position in Smith's comment that one of the two great purposes of nature is 'support of the individual' (Denis 2003, p. 277). But in this instance 'support' probably means nothing more than bare subsistence; I consider the phrase a perfect substitute for Smith's earlier term 'self-preservation' (Smith [1759] 1982b, II.i.5.10). That is the only level at which nature exhibits concern for the individual.

References

Alvey, James E. 2003. *Adam Smith: Optimist or Pessimist?* Aldershot: Ashgate.

-
- Alvey, James E. 2004. 'The role of teleology in Adam Smith's *Wealth of Nations*: a belated comment on Kleer', *History of Economics Review* 40, pp. 137-44.
- Denis, Andy. 1999. 'Was Smith an individualist?', *History of the Human Sciences* 12, pp. 71-86.
- Evensky, Jerry. 1989. 'The evolution of Adam Smith's views on political economy', *History of Political Economy* 21, pp. 123-45.
- Hill, Lisa. 2001. 'The hidden theology of Adam Smith', *European Journal of the History of Economic Thought* 8, pp. 1-29.
- Hont, Istvan. 1983. 'The "rich country—poor country" debate in Scottish classical political economy', in Istvan Hont and Michael Ignatieff (eds), *Wealth and Virtue: the Shaping of Political Economy in the Scottish Enlightenment*. Cambridge: Cambridge University Press, pp. 271-316.
- Kammen, Michael. 1970. *Empire and Interest: The American Colonies and the Politics of Mercantilism*. Philadelphia: J.B. Lippincott.
- Kleer, Richard A. 1995. 'Final causes in Adam Smith's *Theory of Moral Sentiments*', *Journal of the History of Philosophy* 33, pp. 275-300.
- Kleer, Richard A. 1996. 'The decay of trade: the politics of economic theory in eighteenth-century Britain', *Journal of the History of Economic Thought* 18, pp. 319-46.
- Kleer, Richard A. 2000. 'The role of teleology in Adam Smith's *Wealth of Nations*', *History of Economics Review* 31, pp. 14-29.
- Moore, James. 2000. 'Hutcheson's theodicy: the argument and the contexts of *A System of Moral Philosophy*', in Paul Wood (ed.) *The Scottish Enlightenment: Essays in Reinterpretation*. Rochester, NY: University of Rochester Press, pp. 239-66.
- Ross, Ian Simpson. 2000. 'The natural theology of Lord Kames'. in Paul Wood (ed.), *The Scottish Enlightenment: Essays in Reinterpretation*. Rochester, NY: University of Rochester Press, pp. 335-50.
- Smith, Adam. [1776] 1981. *An Inquiry into the Nature and Causes of the Wealth of Nations*. Edited by R.H. Campbell, A.S. Skinner and W.B. Todd. Oxford: Oxford University Press, 1976; facsimile edition, Indianapolis: Liberty Classics.
- Smith, Adam. [1759] 1982a. *Lectures on Jurisprudence*. Edited by R.L. Meek, D.D. Raphael, and P.G. Stein. Oxford: Oxford University Press, 1978; facsimile reprint edition, Indianapolis: Liberty Classics.
- Smith, Adam. [1759] 1982b. *The Theory of Moral Sentiments*. Edited by D.D. Raphael and A.L. Macfie. Oxford: Oxford University Press, 1976; facsimile reprint edition, Indianapolis: Liberty Classics.
- Smith, Adam. 1987. *Correspondence of Adam Smith*. Revised edition. Edited by E.C. Mossner and I.S. Ross. Oxford: Oxford University Press; facsimile edition, Indianapolis: Liberty Classics.
- Tanaka, Shoji. 2003. 'The main themes and structure of moral philosophy and the formation of political economy in Adam Smith', in T. Sakamoto and H. Tanaka (eds), *The Rise of Political Economy in the Scottish Enlightenment*. London: Routledge, pp. 134-49.