# CONTEXT AND ITS RELEVANCE FOR ADAM SMITH'S THEOLOGICAL AND TELEOLOGICAL VIEWS, THE FOUNDATION OF HIS SYSTEM OF THOUGHT

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Te Kunenga
ki Pūrehuroa

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## ABSTRACT

The paper will discuss some aspects of the context in which Smith wrote and its relevance for understanding Smith's fundamental assumptions. By fundamental assumptions, I mean Smith's views on teleology, final causes and divine design. These have been described as the "secret" foundations to Smith's writings. Teleology, final causes and divine design were initially seen as central to understanding Smith's writings. Over time, this view fell out of fashion. In the period after World War II, with the rise of positivism, commentators tended to overlook or downplay the significance of these fundamental assumptions. In the last decade, or so, teleology has started to be restored to its former position as an essential element in understanding Smith. The change in orientation in intellectual history towards historical context may have been instrumental in the revival of the theological and teleological interpretation of Smith.

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## 1.    INTRODUCTION

In 1927 Jacob Viner wrote that "in the *Theory of Moral Sentiments* (*TMS* hereafter)[2] [there] is an unqualified doctrine of a harmonious order of nature, under divine guidance, which promotes the welfare of man through the operation of his individual propensities"; in addition, this doctrine may have been "the secret basis of Smith's conclusions" in the *Wealth of Nations* (*WN* hereafter)(Viner 1927, 206,210).  Later, he went further to claim that "Smith's system of thought, including his economics [which is concentrated in the *WN*], is not intelligible if one disregards the role he assigns in it to the teleological elements, to the 'invisible hand'" (Viner 1972, 82).[3]  Why did Smith adopt this teleological view?  According to Viner, it was because Smith followed the prevailing mood: "Eighteenth-century British social philosophy was soaked in teleology" (1972, 60).[4]  In recent times, there has been a revival of Viner's view that teleology was important in Smith's work.[5]  This "new view" implicitly holds that, at least in this important respect, Smith was strongly influenced by his historical context.  This article addresses Smith's context and its relevance for his theological and teleological views; these views are the foundation of his system of thought as a whole.

Adam Smith wrote from around 1755 to 1790, yet he remains an important figure in the history of liberalism.  Today, the reader has a number of hermeneutic difficulties in an encounter with Smith.  Even if one rejects postmodernism,[6] and accepts that one ought at least to try to understand the author's intention, there is the difficulty of actually undertaking the task.  As Viner pointed out, the secular underpinnings of contemporary social science, has led many readers to either miss entirely, or discount the relevance of, Smith's teleological view of human nature and the associated theology (Viner 1972, 81).  Modern readers, he adds, have two methods of dealing with "the religious ingredients of Smith's thought": either they "put on mental blinders which hide … these aberrations of Smith's thought, or they treat them as … *ornaments* to … rational analysis"; if the latter method is adopted, they claim that the removal of these "ornaments" will not harm Smith's argument (Viner 1972, 81-2 emphasis added).  By contrast, as we saw earlier, Viner

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[2]   Textual references are to Smith unless otherwise noted.  My citations from him follow the practice of the editors of *The Glasgow Edition of the Works and Correspondence of Adam Smith*, citing not the page number but the relevant Book, Chapter, Section and paragraph (i.e. *WN* I.x.b.3 = *The Wealth of Nations* Bk. I, Chap. X, Sect. b, para. 3).  References to other philosophers usually follow this pattern.  Abbreviations of Smith's works: *ED* = "Early Draft of Part of *The Wealth of Nations*" in *LJ* (see below); *EPS = Essays on Philosophical Subjects*; *ES* = "Of External Sense" in *EPS*; *HA* = "History of Astronomy" in *Essays on Philosophical Subjects*; *LJ = Lectures on Jurisprudence*; *TMS = Theory of Moral Sentiments*; *WN = Wealth of Nations*.

[3]   The "invisible hand" is not treated in detail below, for discussion see Alvey 2003a, 125-9.

[4]   He adds that "I know of no British writer before Bentham who frankly denounced teleology, and of no important writers except Mandeville and David Hume--and perhaps also Thomas Hobbes--who could plausibly be interpreted on the basis of their actual writings as not honestly accepting it" (Viner 1972, 60).  In short, despite Hume's great influence on Smith in many areas, Viner interpreted Smith as rejecting Hume's anti-teleological view (cf. Haakonssen 1982, 211).

[5]   Kleer 1995; Kleer 2000; Hill 2001; Clarke 2002; Waterman 2002; Tanaka 2003.

[6]   The postmodern approach asserts that the intention of an author can never be known and that we impose meanings on the written words.  Reading and interpretation become "creative" acts on the reader's part.  To search for the author's putative "true" meaning is a doomed project.  Two "postmodern" books have been written on Smith (Shapiro 1993; Brown 1994; cf. Alvey 1997).

denied that these were "ornaments"; to detach them would make Smith's system of thought unintelligible (Viner 1972, 82). Viner's interpretation of Smith was not unique but it was unfashionable. The fashionable interpretation has varied over time.

Over the past two hundred years, commentators have held widely differing views on the role of teleology in Smith's work. A nice summary of the flow of these views is presented in Kleer (2000). Kleer argues that the initial commentators through to the latter half of the nineteenth century held that teleology played an important role in Smith's writings; early in the twentieth century a more secular view arose;[7] after World War II a thoroughly secular view was developed; finally, in the last decade or so, a "new view" has arisen which returns, in large part, to the view of the early commentators and Viner. The interpretations of those who adhere to the "new view," have started to undermine the secular orthodoxy.[8]

The "new view" of Smith may be due, in part, to the recent style of intellectual history, promoted especially by historians. The "Cambridge" approach (led by Quentin Skinner and J.G.A. Pocock) places stress on historical context. This tradition has been prolific (see for example, the numerous books in the Cambridge University Press *Ideas in Context* series) and it has had a fundamental impact on disciplines such as political theory and the history of economic thought.

Let us now sketch what will be covered below. The next section discusses some explanations for the existence of God, emphasizing the teleological explanation. The third section discusses the rise and fall of the teleological doctrine. The fourth section provides further detail on Smith's own intellectual context. The fifth section turns to Smith's teleology and the ends of nature that he posits. The sixth section presents Smith's basic teleological model. The final section provides a brief conclusion. Let us begin with some theological background information.


## 2.    THE EXPLANATIONS FOR THE EXISTENCE OF GOD

This section addresses two topics. First, it briefly mentions some of the explanations for the existence of God. Second, it focuses on the teleological explanation: the meaning of the term teleology and the close relationship between teleology, final causes and divine design.

First, let us refer to some explanations for the existence of God. The cosmological argument has various strands going back to Plato. The most popular version, the first cause argument, refers to the necessity of everything being caused and hence the need for a first cause (God). Second, some refer to "universal consent." Third, there is the ontological argument. It is a strictly, non-empirical proof of the existence of God. This, as Stewart points out, "is of no significance for the Scottish, or indeed British, thought of the eighteenth century" (2003, 55n.9); consequently, it is

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[7]   The view tended to be either that a) Smith held a teleological view in the *TMS* but dropped it in the *WN*, or b) Smith's references to teleology could be removed without damage to his argument.
[8]   Of course, many commentators retain the secular interpretation of Smith (Haakonssen 1981; Haakonssen 1982; Haakonssen 1996, 145-6, 259-60; Minowitz 1993; Griswold 1999).

not mentioned further below. The focus of the section is on the most popular explanation of the existence of God: the teleological explanation.

Next, let us discuss teleology. It denotes final causes in nature. "Final cause," in turn, derived from the Scholastic treatment of Aristotle's theory of causation. Only two of Aristotle's "causes" concern us: the efficient cause (the agent immediately producing the change in the thing changed) and the final cause (the end or purpose of the thing changed or produced).[9] Aristotle's typology of causes was widely used in Smith's era and explicitly used by Smith himself (*TMS* II.ii.3.5).

Now, let us discuss the nature of the teleological doctrine. Based on human experience, if the parts of a thing fulfil the goal of the whole, *purpose* in the construction and an *intelligent contriver* can be implied (Hurlbutt 1985, 8). Many plant and animal organs and other components of nature seem well suited to serving larger purposes in the whole of nature. Based on the analogy to human contrivance, evidence of design drawn from nature would then be used as the foundation for theorizing about God. While the specific arguments and analogies used varied over time, some key features of the design argument (and teleology) were its link to monotheistic religion, unalterable laws of nature, a general optimistic outlook and the promotion of religious belief.[10] With this background in mind, let us now turn to the history of the teleological doctrine.


## 3.    A SKETCH OF THE CYCLICAL RISE AND FALL OF TELEOLOGY

This section addresses two topics. First, it discusses the genesis of the teleological doctrine. Second, the cyclical rise and fall of the teleological doctrine is sketched.

The genesis of the design argument goes back to the Socratics, and especially Aristotle; they opposed the pre-Socratics, the Atomists and their followers, who argued for a mechanical or chance foundation of nature (see Hurlbutt 1985, 97-8). Next, the Stoics arose, who developed a sort of philosophical religion of nature based on the teleological foundation. Stoicism became virtually the official ideology of the Roman Empire. This represented an early peak in the teleological doctrine; subsequently, the popularity and orthodoxy of the teleological argument followed a cyclical pattern (see Clarke 2000; Clarke 2002).[11]

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[9]    See Aristotle *Physics* II.3; Ross 1949, 71-5,155; Sorabji 1980 throughout.
[10]    Despite its immense psychological appeal, many questions arose in this regard. Does it provide a support for popular religion or a way to an alternative religion? Is it a supplement, or an alternative, to other sources of religious belief (tradition, revelation)? How is evil explained?
[11]    Fitzgibbons (2003, 73) says that "The Stoic system, and the point includes Smith's, is a philosophy for good times. It has tended to gain adherents during periods of social and economic progress, as during the Roman Republic, eighteenth-century Britain, or beneath the scientific surface, in the twentieth-century United States…. It has never been a philosophy for dark times."

Eventually Stoicism came into conflict with Christian doctrine; its rejection by Augustine (AD 354-430) led to its disappearance from mainstream religious thinking (Clarke 2002, 13-4). It was only after Galileo's heresy trial (1633) precipitated changes in religious views that the teleological argument re-emerged (Clarke 2002, 13-14).[12] Stoic (and Atomist (see Vaughan 1982, 51)) views were revived and modified in the scientific revolution.[13]

Another high point for teleology occurred in the work of Isaac Newton (his *Principia* was first published in 1687). "Newtonianism," based on the design argument, secured the unity of science and religion, in Britain at least.[14] Scientists supported each new discovery with a revised design argument.[15] Theologians tried to show the compatibility of their theology with the "new science."[16] By the eighteenth century, the teleological view was orthodox in Britain: it was the core of natural theology, the knowledge of God drawn from nature (Hurlbutt 1985, 188).

Although the design argument was attacked by some contemporaries of Smith's (discussed below), they had little impact in Britain; support for divine design even *strengthened* subsequently.[17] Two developments undermined it eventually. First, the content of natural theology changed constantly in line with the latest scientific advances; Brooke argues that the theological burden gradually became too great to carry (1991, 197; see throughout). Second, Darwin's *Origin of the Species* appeared in 1859, which proposed evolution (nature is "blind"; survival of the fittest prevails) as an *alternative* explanation to design; this may have been the turning point for teleology (Brooke 1991, 197). So successful has been the Darwinian argument that these days little is heard of teleology.[18] These trends have, of course, corresponded with the "secularization" of the natural and social sciences. The traditional design argument has now died out of intellectual discourse. After this rather grand sweep of history, let us go back and focus on Smith's own era.

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[12] Clarke's qualification of this view is more accurate. Between the times of Augustine and Galileo the design argument persisted but it "was rejected by orthodox Christian teaching"; Aquinas's usage of it "did not gain widespread acceptance until the seventeenth century" (Clarke 2002, 23 n.12).

[13] The scientific revolution is often held to have begun in 1543 with the publication of important works by Copernicus and Vesalius.

[14] Boyle, Ray and many others (including Bacon, a pre-Newtonian) united science and theology in the age of the scientific revolution (Brooke 1991, 18). Under these circumstances "the design argument was reinforced, not overridden, by a philosophy of mechanism" (Brooke 1991, 134).

[15] Amongst the many scientists who used the design argument were Maclaurin, Ray, Boyle and Clarke (Hurlbutt 1985, 27-42).

[16] "This use of scientific notions in theology provided theology with a reinvigorated design argument *which dominated religious thought for a century or more*"; "Newton's [theological] views formed … the basic point of departure of the age" (Hurlbutt 1985, 79 emphasis added, 84; see also Mossner 1936, 35,81,109,129).

[17] See Waterman 1991, 69-70; Hurlbutt 1985, 170, 177; Brooke 1991, 173-5, 220; Stewart 2003, 54.

[18] If mention is made of causation, it is almost always in terms of efficient causation.

## 4.    SMITH'S CONTEXT

The Enlightenment context in which Smith wrote has been a major theme in some of the recent literature on Smith (see Clarke 2000; Clarke 2002).  So let us turn to Smith's intellectual context.

In the years after Galileo's trial, natural philosophers (scientists) used theology to justify their theories and theologians used science to validate the status of their works.  The seventeenth-century scientists sought to overcome the bad reputation of their ancient predecessors who had denied the need for gods.  In such an environment the design argument was revived, modified by its new tie to a mechanical philosophy, and strengthened by its growing popularity in secular and divine circles. Bacon, Boyle, Ray and many others developed this unity of science and theology in the age of the scientific revolution.[19]

After a brief battle between Newton (through his associate, Clarke) and Leibniz (which was, in part, whether God's design was perfect or near-perfect (Brooke 1991, 161-3)), a new paradigm emerged.[20]    The framework for the scientific age was Newtonian natural philosophy and Newtonian theology based on the design argument.   Hence, in the eighteenth-century, the teleological framework was entrenched (at least in Britain).   There was a profound impact of "Newtonianism" (the unity of science and religion) in the UK (but not in France).  Natural theology (and teleology) was adopted by contributors to the Scottish Enlightenment.

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[19]    The following qualifications draw from a comment on the paper by Shoji Tanaka suggesting that the view presented above, of the unity of natural science and religion in the seventeenth and eighteenth centuries in Britain, was somewhat simplistic.   The apparent unity concealed latent antagonisms: a darker picture is presented in Vaughan (1982), who argues that, in natural science, the seventeenth century represented a break from the teleological tradition (which began with Aristotle) and returns to Democritus's mechanical account.  Even before the open clashes between science and religion emerged in the nineteenth century, a subtle shift had occurred between the seventeenth and eighteenth centuries.  In the seventeenth century the proof and attributes of God (based on the teleological argument) were explicit in scientific works.  Natural theology was explicit but most of the presentation by the scientists was a purely mechanical account of nature.  In the eighteenth century, scientific works no longer explicitly mentioned theology, even though the well-established natural theology framework was implicitly assumed (see Waterman 2002, 919).  By the nineteenth and twentieth centuries a purely secular view of science emerged in *opposition* to mainstream religion.  Some have argued that the origins of the modern hostility of science and religion can be traced to earlier developments such as those mentioned above.  These trends in the natural sciences had a counterpart in the moral sciences.  The explicit theology of the moral philosophers gradually came to be replaced by "Providential Naturalism" in the eighteenth century (Haakonssen 1996, 61,182,187).  In these accounts, including Smith's, whilst a purely empirical account was provided, an optimistic order was "metaphysically presupposed" (Tanaka 2003, 137).  During the nineteenth century the moral sciences became increasingly secular.  In both natural and moral philosophy, therefore, the eighteenth century was a sort of transition phase.

[20]    Leibniz also tried to combine science and theology; he was a sort of scientist/theologian.  He condemned Newton's *Principia* as a "Godless work" (Hurlbutt 1985, 5).  Newton later developed the theological defences of his work, including the need for periodic interventions in the form of a cosmic repairman (Hurlbutt 1985, 12).  Further defences were mounted by Samuel Clarke.  Leibniz's own doctrine, that this was the "best of all possible worlds," was subsequently ridiculed by Voltaire in the character of Dr Pangloss in *Candide*.

Recently, Stewart (2003) has provided us with a very good survey of natural theology in the Scottish Enlightenment. Of those writers mentioned by him, and who wrote in the period before Smith died, Gershom Carmichael, Francis Hutcheson, George Cheyne, John Abernethy, Lord Kames (Henry Home) and probably Archibald Campbell adopted a teleological view; William Dudgeon, Colin Mclaurin and Thomas Reid used both the teleological and cosmological arguments; Andrew Baxter used the cosmological argument but later abandoned it in favour of the design argument; Adam Ferguson rested his case for the existence of God on teleology and on universal consent (see Stewart 2003 throughout). Clearly a detailed discussion of all of these writers, and others, is impossible here. Nevertheless, some points regarding Hutcheson and Kames may be useful; the former was the teacher and, according to Clarke (2002), the main influence on Adam Smith; the latter was another Scottish contemporary and promoter of Smith's early career.

Stewart says that the design argument features in Hutcheson's *Synopsis Metaphysicae* (Stewart 2003, 38). In *An Inquiry into the Original of Our Ideas of Beauty and Virtue*, Hutcheson develops this argument again. He says that happiness (or pleasure) is a human end and he develops a teleological explanation for its satisfaction (Hutcheson 1969-90, Vol. 1: iii). Humans derive pleasure from beauty: "uniformity, order, arrangement, [and] imitation" (Hutcheson 1969-90, Vol. 1: vi). This sense of beauty is natural to humans and leads us to the view that regularity is due to design rather than chance (Hutcheson 1969-90, Vol. 1: viii,45). The "frequency" of regularity in the universe "gives presumption of design"; here he uses the argument *from* design (Hutcheson 1969-90, Vol. 1: 50-1; see 44-5; Hurlbutt 1985, 8; Scott 1992, 191). More importantly, he goes on to use the argument *to* design: the nice connection of means to ends, which requires purpose. "[T]he beauty apparent to us in Nature" produces a great deal of pleasure in humans and helps to satisfy the end of happiness; on the other hand, the fact that humans derive pleasure from orderly arrangement is a purely "arbitrary" attribute of their constitution, as one can imagine a different instinct in which pleasure does not arise from orderly arrangement (Hutcheson 1969-90, Vol. 1:60,42; Hurlbutt 1985, 10). The arbitrary means to the human end takes on a new meaning once a benevolent "Author of Nature" is admitted; "upon the supposition of a benevolent Deity, all the apparent beauty produced is an evidence of the execution of a benevolent design" (Hutcheson 1969-90, Vol. 1:60). The complexity of human organs "and their nice disposition adapted to this end [happiness], is an evidence of a comprehensive and large understanding in the cause … even when we do not know the intention of the whole" (Hutcheson 1969-90, Vol. 1:60,61). The teleological argument affects all parts of Hutcheson's works.

Unlike Hutcheson's harmonious theory, Lord Kames, as shown by Tanaka (2003, 137-8), held a theory in which the human ends were achieved by a "deception" imposed by nature on humans. According to Kames, the physical universe, including human beings, is governed by "fixed laws" which are wisely designed by God to achieve order, happiness and perfection (Kames 1983, 158; see 151,162-3,173,181-2,184,187-8,202). He says that humans, as rational creatures, are to contribute to the divine "plan"; they must improve themselves and "act with consciousness and spontaneity" (Kames 1983, 188). Despite the philosophic truth, that the physical and moral world is governed by necessity, humans have a perception of contingency, of liberty and of a free will (Kames 1983, 165,167-8,173-4,183,187,200,202,207-8,214). As in the physical world, in the

moral realm humans are "deceived" by nature; in the former, the external senses (of sight, for example) "deceive"; in the latter, the sense of contingency and liberty "deceives" us (Kames 1983, 154-5, 183,190,203-4,207-15). Kames's view is that nature's "deception" is advantageous to the satisfaction of the ends of human nature in both cases (Kames 1983, 155). In the moral realm, the deceptive sense of contingency "is the foundation of all the labour, care, and industry of mankind"; man exercises his reason, and is active in the way that he currently is, only because of nature's deception (Kames 1983, 184; see 190). In this deception Kames finds "divine wisdom and goodness" (Kames 1983, 190; see 204,216-7). Kames's "deception" theory is another type of the teleological argument.

The teleological flavour of Hutcheson and Kames, as we have seen, was part of a widespread pattern. Nevertheless, even in this climate of opinion, the design argument was attacked by three of Smith's contemporaries (Diderot and Voltaire on the Continent and Hume in Britain). Hurlbutt suggests that in writing "the *Dialogues Concerning Natural Religion* one of Hume's deepest concerns was to refute the attempts made in the eighteenth-century versions of the design argument to exploit Newtonian science for religious purposes" (1985, vii). The anti-contextual views of Diderot, Voltaire and Hume existed but they had little impact at the time in Britain (Stewart 2003, 54); their insights came to be appreciated much later (in the Darwinian and post-Darwinian period) when science once again came into open opposition to mainstream religion.

In Smith's day, teleology was in vogue. It is no accident that the Stoic view played a large role in the Scottish Enlightenment. In eighteenth-century Scotland, natural theology (based on the design argument) was viewed as a sort of preliminary to revealed theology.[21] Smith himself taught the former as the first part of his course on moral philosophy at the University of Glasgow.[22] With this background in mind, let us now turn to Smith and his view of teleology.


## 5.    SMITH'S TELEOLOGY AND THE ENDS OF NATURE

The starting point for investigating Smith's views on teleology is his understanding of nature, primarily presented in the *TMS*. This section addresses several questions. Does he accept that nature exhibits design? If so, at what does it aim? What are the ends of nature? Do the ends of *human* nature accord with the rest of nature? How are the ends of human nature to be achieved?

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[21]    See Waterman 2002, 919. Studying the "book of nature" for *evidence* of God's work was a good introduction to God's work and Revelation as described in the book of Scripture.

[22]    According to his student, John Millar, in this segment Smith "considered the proofs of the being and attributes of God, and those principles of the human mind upon which religion is founded" (quoted in Stewart 1980, 274).

Let us begin by turning to Smith's statement that: "In every part of the universe we observe *means* adjusted with the nicest artifice to the *ends* which they are intended to produce"; here he refers specifically to "the *two great purposes of nature*, the *support of the individual* [self-preservation] and the *propagation of the species*" (*TMS* II.ii.3.5 emphasis added; see also *ED* ii.23). Two points can be noted here. First, this exemplifies the teleological argument *to* design. The quotation shows that throughout "every part of the universe" means are nicely adjusted to produce the ends of nature; the purposive relations amongst the parts imply a contriver-designer (see Hurlbutt 1985, 8-13). Second, due to such quotations, some have claimed that, *if* nature has any ends, it is only preservation.[23] Next, the advancement of enlightened ends, the *final cause*, we imagine is due to human wisdom but Smith rejects this; he says that it is due to "the *wisdom of God*" (*TMS* II.ii.3.5 emphasis added). If the last two quotations are put together, we can infer that God's "wisdom" is demonstrated throughout the universe, the means being nicely adjusted to produce the ends of preservation and procreation. Smith confirms that the *human* constitution also follows this design pattern (*TMS* II.i.5.10). The uniformity of the design seen here, and in the natural theology of Smith's contemporaries, suggests that there was a single designer who drew up a grand blueprint of the universe before creating it in accordance with the plan.

Not only has Nature determined the human ends but it has endowed humans "with an *appetite for the means*" by which these ends can be realized (*TMS* II.i.5.10 emphasis added). The means are drinking, eating, having sex, and so on.[24] "Hunger, thirst, the passion which unites the sexes, the love of pleasure, and the dread of pain," drive us to adopt the appropriate means "without any consideration of their tendency to those beneficent ends, which the Director of nature [God] intended to produce by them" (*TMS* II.i.5.10). Three points should be noted from what we have learned so far. First, Smith stresses the providential role of nature in the provision of instincts for man; the *efficient cause* of human action is instinct (see also *ES* 49, 60; Cropsey 2001, 124). Second, as a counterpart to this, reason is downplayed.[25] Third, Smith links his teleological views to the "Director of nature": teleology is one foundation of his theology.

Whilst reason does not drive human action, the ends of preservation and procreation are eminently rational. According to Smith, sub-rational desires lead us to the means that deliver these ends. As the instinctual means are nicely adjusted in us to produce rational ends and humans could not have constructed these instincts, it seems that the means were wisely created by the "Director of nature," God, in order to achieve the ends: there is teleology immanent in the human constitution.

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[23] See Cropsey 2001, 38; Coase 1976; cf. Minowitz 1993, 115.

[24] The discovery of the appropriate means, however, could be either by reason or instinct. Smith argues that Nature solves our problem by providing us with several instincts.

[25] See *WN* V.i.g.24; see also *TMS* VI.ii.1.20; VII.ii.1.47.

This does not complete Smith's account of the human ends. He explicitly refers to three other ends: Nature promotes "the *order of the world*, and the *perfection and happiness of human nature*" (*TMS* III.5.9 emphasis added; see also *TMS* II.iii.3.2; III.5.7). By "order," Smith means three things: external order (defence), internal order (law and order) and a class system (*WN* III.iv.4,9; IV.ix.51; V.i.b.3; *HA* III.1,3,5; Alvey 2003a, 38). By "perfection," he means moral and intellectual virtue. By "happiness," he has in mind a complex notion that transcends utilitarianism. In addition to the five explicit ends, freedom is an implicit goal that has almost the rank of an end of nature; recall the title of his ideal, "the system of natural liberty" (*WN* IV.ix.51).

The ends of nature that Smith posits are numerous and complex. To libertarians and economists they may sound rather odd. Taken together, the ends provide what I call "human flourishing" (Alvey 2003a, 2). Smith's notion of the human good is richer and higher than is often claimed (Alvey 1998; Alvey 2001). To achieve this high aspiration more is required than the "negative liberty" so beloved by many libertarians and economists.[26]

The ends are rational, as are the means; but frequently, instincts, not human rationality, are responsible for humans adopting the appropriate means. Further, Smith suggests that there is a coherence to the instincts: the "ultimate objects" of our desires are "ease and tranquillity" (*TMS* VII.ii.2.11; see also *HA* II.12.). As indicated previously, the coherence and uniformity of nature indicates "the wisdom of God" (*TMS* II.ii.3.5).

Smith's views of nature seen above are clearly teleological and consistent with the prevailing views. The natural theology flavour of his work and his fascination with the Stoics has led some to call him a Stoic.[27] Let us now turn to presenting, in more detail, Smith's basic model.

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[26] *WN* IV.ix.51; Alvey 2003a, 118-9; see Berlin quoted in Justman 1993, 24. Economists quickly assume that they understand Smith's idea when he stresses freedom of mobility, occupational freedom, and so on (*WN* I.vii.6; I.x.a.1; I.x.c.12; IV.v.b.16). This part of Smith's notion of freedom we can call economic freedom.

[27] *TMS* VII.ii.1.15-47; see Raphael and Macfie 1976, 9-19; Fitzgibbons 1995, v,19,29-33,90, 197; Vivenza 2001, 191-212; Dennis 1999, 73. Smith's view was very close to Stoicism. As Fitzgibbons has said, Smith "accepted the Stoic notions of Providence, God, and Nature" and could even be described as a "Stoic philosopher" (Fitzgibbons 1995, 31,19). Smith did distance himself from the doctrine, arguing for an active role in the world and for interventions to correct perceived imperfections rather than quiet acquiescence (*TMS* VII.ii.44-6).

## 6. THE BASIC MODEL: IMMANENT TELEOLOGY (HUMAN INSTINCT)[28]

Viner's claim, that Smith has a harmonious view of human nature, is often made by others.  This section focuses on the foundation of the harmonious view: the construction of the instincts which show design toward the achievement of several natural ends.[29]  In addition, we show that some of Smith's work relies on a deception theory.

Let us begin with an example of harmony.  Smith says that humans must live in society to survive (*TMS* II.ii.3.1).  Contrary to social contract theorists, Smith holds that this means to survival was not discovered by human reasoning (*LJ* (B)3).  Humans always lived in society; they did not enter it out of rational calculation after living dispersed.  This historical fact is due to the construction of nature.  Smith says that, as the means to the end of preservation, Nature programmed (or hard-wired) human nature to have various *social* desires: "The desire of being believed, the desire of persuading, of leading and directing other people," is perhaps "the strongest of all our natural desires" and it may be "the *instinct* upon which is founded the faculty of speech, the characteristic faculty of human nature" (*TMS* VII.iv.25 emphasis added; cf. Aristotle *Politics* 1253a9-18).  Humans need to live in society and nature hard-wires gregariousness into them; the *final cause* is preservation and the *efficient cause* is instinct.

According to Smith, human society (the proximate means to preservation) "seems … to have been the peculiar and darling care of Nature" (*TMS* II.ii.3.4).  With almost "parental tenderness," Nature strives to preserve human society (*TMS* III.3.13).  Nature wants society to endure; hence, it wants society properly ordered.  To assist in achieving the end of order, nature provides two instincts as means.  First, internal order rests on a system of justice (by "justice," Smith usually means commutative justice (*TMS* VII.ii.1.10)) which is as perfect as possible; the natural sense of justice arises from resentment and Smith's moral theory provides an explanation of how this natural sense is perfected and instituted into a system of jurisprudence (Alvey 2003a, 40-53).  Second, contrary to a contractarian or utilitarian foundation of a class-structured society, the "doctrine of nature" instils a strong *natural deference* to authority.[30]  Hence, the *final causes* of preservation, procreation and order are all supported by instinctive *efficient causes*.

At this point other commentators on Smith may object, claiming that, even if these views are relevant to his book on morality (the *TMS*), they are not so to his book on economics (the *WN*).  Perhaps Smith changed his mind between the writing of the *TMS* and the *WN*.  This is the foundation for what became known as *Das Adam Smith Problem*.[31]  In this newer version of *Das Adam Smith Problem*, teleology may be relevant to the *TMS* but not to the *WN*

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[28] Some extensions of the basic model have also been undertaken.  First, we can extend his teleological theory into a theory of history (see Kleer 2000, 19-20; Evensky 1989 and 2003; Alvey 2003a, 96-107; Alvey 2003b).  Second, we can use the ends of nature to flesh out what he has in mind as his best regime or utopia, where all of the ends are satisfied (Alvey 1998; Alvey 2001).  Third, we can use the ends as a means of ranking societies that fall short of this ideal (Alvey 2001).

[29] See Kleer 1995; Kleer 2000; Alvey 2003a, 31-77.

[30] *TMS* I.iii.2.3; *LJ*(B)344; cf. Locke *Second Treatise* §§212,225,232,235,239.

[31] For a recent variation, see Brown 1994, 46, 53-4; for discussion, see Alvey 1997.

(Minowitz 1993, 2,8-9; see the references quoted in Kleer 2000, 16).

So let us turn to the *WN*. The best presentation of this book from the teleological perspective is Kleer (2000).[32] Let me merely sketch some of Kleer's presentation here, focussing on economic growth. The importance of the theme may be obvious but let me restate it in terms of its relevance to our present concerns. Economic growth helps to satisfy several of the ends of human nature, including self-preservation, procreation and happiness (*WN* I.i.10; I.vii.1; I.viii. 22-3,42-4). Why is there a "natural progress of opulence," which obviates the need for mercantilist-style government manipulation of the growth process (*WN* III.i.title; see also III.i.3-4)?

The starting point for Smith's approach to economic growth is his view that the forces of nature tend to produce economic growth *spontaneously*; the underlying "system of natural liberty" needs certain prerequisites to produce the maximum sustainable rate of growth but attempts to improve on this rate (such as mercantilism) can only do harm (*WN* IV.ix.50). In Smith's presentation, there are at least four factors responsible for growth: the division of labour (*WN* I.i-iii); capital accumulation (*WN* II.iii); order and good government (*WN* III.ii-iv); and discretion for capital owners to invest wherever they choose (*WN* II.v-III.1). Kleer discusses these in turn, tracing them back to human instincts. Here we discuss the first three.

The division of labour seems to be a product of human calculation of social utility. A skim through the *WN* may suggest this (*WN* I.ii.3). Nevertheless, Smith indicates that the many advantages of specialization, including "that general opulence to which it gives occasion," are *not* "originally the effect of any human wisdom"; the *origins* of the division of labour are to be found in the unique human "propensity to truck, barter, and exchange" (*WN* I.ii.1; see also *LJ* (B) 218). In the *Lectures on Jurisprudence* (*LJ*)[33] he expanded on his thinking. This propensity arose from the previously-mentioned, more fundamental, desire to persuade (*LJ* (A)vi.56; *LJ* (B) 221; *TMS* VII.iv.25). This desire would manifest itself in the earliest human societies when occasional surpluses arose for the independent *self-sufficient* families; in such a situation, gift-giving arises not out of material need but as a means of persuading other, neighbouring households that good-will exists towards them. After gift-giving is well-established, barter between *friendly* households can begin; gradually the division of labour emerged and was subsequently promoted by human calculation. Without the initial spontaneous period, the subsequent, more contrived, division of labour[34] may have remained an optimistic possibility which could *never* be actualized.

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[32] See also Brown 1994, 166-91; Waterman 2002; Alvey 2003a.

[33] These are student notes based on Smith's lectures (see Meek, Raphael and Stein 1978).

[34] This was based on prudence (calculation with regard to long-term gain). See *TMS* IV.2.6.

Capital accumulation depends on savings, in Smith's view. While saving is normally attributed to rational calculation, for Smith, it arises from a "desire to better our condition," a passion which normally manifests itself in material acquisitiveness.[35] So, is the passion just a code for rational calculation? No. The negative explanation from the *TMS* is that, beyond some level, material possessions actually add little to our *real* happiness; despite this, people usually continue passionately acquiring.[36] The positive explanation for acquisitiveness rests on various instinctive aspects spelt out in the *TMS*, including vanity, our greater capacity to sympathize with joy than sorrow, and our fascination with well-crafted devices (*TMS* I.ii.5.3; I.iii.2.1; IV.1.3,8; Kleer 2000, 18-19). These instinctive elements are all arbitrary components of the human constitution, as alternative instincts can be imagined.

Order and good government serve as immediate prerequisites for "the liberty and security of individuals" and, ultimately, as prerequisites for capital accumulation (*WN* III.iii.12). These conditions existed in the Roman Empire but were lost after the Fall of Rome. In Book III of the *WN*, Smith tells how liberty and security were gradually restored in Europe, *not* by human calculation but as the *unintended* consequence of human actions driven by certain passions.[37]

Before concluding the section it may be useful to return to Hutcheson's teleological view of beauty and the deception theory of Kames. Hutcheson's work on beauty clearly impacted on Smith's thinking. In the case of acquisitiveness, humans become attached to the beauty of the gadgets of the rich, the means to ease of the body (*WN* II.iii.28; *TMS* IV.i.6). Consider in this light Smith's discussion of the poor man's ambitious son, who spends his whole life in tireless work seeking these gadgets; only at his death does he realise that he never achieved the ease that he had sought initially (*TMS* IV.i.8; Alvey 2003a, 197-8). The focus on the beauty of the means led to the materially-ambitious man's forgetfulness about the end; on the other hand, his "unrelenting industry" was socially useful (*TMS* IV.i.8; see IV.i.10). Similarly, as alluded to above, by their obsessive acquisition of various well-crafted trinkets, the feudal lords lost their power to disrupt both orderly government and the progress of commerce (see *WN* III.iv.15; III.iii-iv throughout). The result was bad for the lords but good for the society as a whole (*WN* III.iv.17). Once again, beauty played a teleological role. For both the materially-ambitious man and the feudal lords, beauty is the cause of a "deception" which, whilst detrimental to the individual, has socially beneficial effects (*TMS* IV.i.10). Smith uses a twist on Hutcheson's and Kames's earlier writings.

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[35] *WN* II.iii.28,31; IV.ix.28; see Alvey 2003a, 56-63. The desire can also manifest itself in glory-seeking (or other alternatives) (see Alvey 2003a, 195-203).

[36] *TMS* IV.i.6; Kleer 2000, 18-9. There is considerable ground for debating whether the quantity of goods required is a moderate or a minimal level (consider *TMS* III.3.31).

[37] Once again, a central role is given to the instinctive fascination with well-crafted devices (*WN* III.iv.15). An instinctive account of this fascination is given elsewhere (*TMS* IV.i.3-8).

In the *TMS* teleology is explicit; in the *WN* it is implicit (Alvey 2003a, 21; Waterman 2002, 918). We have suggested above that the main economic theme in the *WN*, economic growth, supports the satisfaction of the natural ends but Smith's theory of economic growth cannot stand on rational calculation alone. Economic growth, like human society itself, is a proximate means to several *final causes*; as the *efficient causes* of growth are a series of natural propensities or *instincts*, the instincts can be said to be the efficient causes of several ends of human nature. Underlying Smith's economics is a set of instincts. As the *WN* is more about the application of, than the investigation into, the principles of human nature, a fuller explanation of Smith's thinking about these propensities has to be traced back to his other works. Nevertheless, there is enough in the *WN* to confirm Viner's view that a "secret" basis to his political economy exists. Why is the optimal result achieved without human manipulation? Divine design is the answer. In Smith's basic model in the *TMS*, and in the *WN*, there is teleology immanent in the human constitution.

## 7.    CONCLUSION

What can we conclude from the discussion? First, Smith has a teleological view of nature. The divine design operates mainly through instincts as efficient causes. Some of the instincts spontaneously provide a harmony between the good of the individual and that of the species. Other instincts, like the natural attachment to beauty, achieve the ends of the species through a "deception" of individuals. In either case, efficient causes are linked to providential final causes. Second, we have suggested that teleology is *integral* to Smith's argument. It is not an "ornament" which can be removed without impairing his argument. Third, context is important. The recent focus on context has led to several authors rediscovering Smith's teleological and theological views.[38] Smith's view on beauty seems to have been a sort of Kamesian twist on Hutcheson's earlier teleological view. Given that the prevailing view was teleological, some commentators have drawn the conclusion that "Smith was essentially a man of his times" (Clarke 2000, 69). Regardless of the validity of this claim, a sound interpretation of Smith has to begin with an inquiry into his theology and teleology along the lines suggested by the "new view" of Smith.

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[38]    The recent revival of Smith's teleological and theological views raises some interesting questions. Is the "new view" itself the product of the current (namely, from about 1990 to 2003) climate of opinion? Is it doomed to be replaced by another view once the current fashion of "context" comes to an end? Is the interpretation of Smith, and everything else, determined by the context of the interpreter? This takes us back to the hermeneutic problems that some have stressed in reading old books. What constitutes mainstream interpretation changes over time. Can there be a "true" view which remains regardless of the swings of fashion? We believe so. Such a view must be doggedly sought after. Our only hope of finding it is by assuming that the author had an intention in writing which can be ascertained by us, the readers. Historical context will remain important but the text is even more so. So the "true view" can be discerned by the hard work of the inquirer in trying to understand an author as he understands himself. This requires a dedication to figuring out an author's intention and not abandoning the quest at the outset (as postmodern methodology requires).

**APPENDIX**

**8.    DEFINITIONS**

(a)    **The cosmological argument:** for the existence of God covers two strands: the Kalam cosmological argument and the argument from contingency. The former, began with Medieval Muslum thinkers.  It is sometimes called the first cause argument and claims "the impossibility of the causal chain without a first cause or necessary being" (Stewart 2003, 35). The latter was used by Plato (427-347BC), Aquinas (1225-74), Descartes (1596-1650), Leibniz (1646-1716) and others.  It refers to the need for anything which exists contingenty to have a reason for its existence; the alleged contingency of the universe is then linked to the existence of God.

(b)    **The ontological argument:** for the existence of an omniscient, omnipotent, and morally perfect God began with St. Anselm (1033-1109).  It is a non-empirical argument based on formal logic and upheld by Descartes and Leibniz (Stewart 2003, 55n.9).  It was subject to criticism by Aquinas and later Kant (1724-1804).

(c)    **Teleology**:  "Teleology" is a term which had just come into usage in Smith's time.  It was coined in 1728 in eighteenth-century philosophical Latin by Christian Wolff in his book *Logic*.  It was used to denote final causes in nature and was readily accepted in modern philosophic vocabulary.  "Final cause," in turn, derived from the Scholastic treatment of Aristotle's theory of causation.

(d)    **Aristotle's Theory of Causation:** In the *Physics* Aristotle said that there were four "causes": the material cause (the material out of which something is formed); the formal cause (the form or defining characteristics of the thing); the efficient cause (the agent immediately producing the change in the thing changed); and the final cause (the end or purpose of the thing changed or produced).  In Greek, the final cause is τέλος, or, as it has come down to us from the Schoolmen's translation, *telos*.  Aristotle's typology of causes was widely used in Smith's time, assumed as background knowledge and explicitly used by Smith on occasion (*TMS* II.ii.3.5).

(e)    **Design Argument**: There is an argument *from* design and an argument *to* design.  In the argument *from* design, the existence of God is inferred from orderly, harmonious or beautiful arrangement, which does not require purpose (Hurlbutt 1985, 8).  In the argument *to* design—which strictly speaking is the teleological argument—purpose is required; the parts of a thing by fulfilling the goal of the whole, imply an intelligent contriver (Hurlbutt 1985, 10).  See also Alvey 2003a, 7-8.

(f) **Natural Theology**: Like theology in general, this refers to the ideas of God held by the believer; these must be systematized views of God. In natural theology, "scientific knowledge was used to establish the existence and attributes of God" (Brooke 1991, 24). The knowledge of God was drawn from nature rather than revelation. Proponents of natural theology included Samuel Clarke (*A Discourse Concerning the Being and Attributes of God* 1704-5), Bishop Butler (*Analogy of Religion* 1736) and William Paley (*Natural Theology* 1802). It fell out of fashion in France some considerable time before the Revolution.

(g) **Natural Religion**: This is associated with natural theology. Like religion in general, natural religion refers to the subjective feelings and acts of humans in as far they relate to God. It is religion which is based upon the evidences of a God, and his qualities, which is supplied by natural phenomena. It refers to the understanding of duty arising from the character and will of God (as learnt from nature not scripture). It also refers to the sense of moral obligation and spirit of reverence for the Deity (that arises from nature not scripture).

## 9. AN EXAMPLE OF TELEOLOGICAL WRITING

Consider this argument *to* design found in Cicero:

Again what artificer but nature, who is unsurpassed in her cunning, could have attained such skilfulness in the construction of the senses? First she has clothed and walled the eyes with membranes of the finest texture, which she has made on the one hand transparent so that we may be able to see through them, and on the other hand firm of substance, to serve as the outer cover of the eye. The eyes she has made mobile and smoothly turning, so as both to avoid any threatened injury and to direct their gaze easily in any direction they desire…. [T]he lids, which are the covers of the eyes, are very soft to the touch so as not to hurt the pupil, and very neatly constructed so as both to shut the eyes in order that nothing may impinge upon them and to open them… (*De Natura Deorum* II.142)

We can see from the quotation that the purposive relations among the parts of the organisms, "their means-ends character, imply a contriver-designer" (Hurlbutt 1985, 10).

15

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