

Adam smith's theory of self-interest



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Adam Smith is a fascinated moral philosopher and an expert of economic. He left two famous books. I can still get much enlightenment when I read his words in this modern society. His mainly research are on morality and economy. This essay will focus on how self-interest motivates individuals in these two aspects and what role does self-interest plays in the developing society.

Having found this complex question, we should have a general understanding of what is self-interest? Many people may confound self-interest and selfish. Adam Smith thought people will do whatever good to themselves when they burned and selfish is a human's natural action. (Smith Moral ex.) But actually those two words have huge differences. Selfish describe a kind of person who just care about himself or herself. They ignore others feeling or benefit as long as they can get something good from what they did. This is really a negative influence which we should abandon it. ' Self-interest or self-love is derived from the selfish passions, but self-love is not identified with selfishness, because self-love, like other interests, can be virtuous (the virtue of prudence) or evil (greed or avarice).' (Werhane, PH 1989, p. 671) Self-interest looks like selfish on the surface but indeed it can make an interaction between people. ' To the selfish and original passions of human nature, the loss or gain of a very small interest of our own appears to be of vastly more importance, excites a much more passionate joy or sorrow, a much greater desire or aversion, than the greatest concern of another with whom we have no particular connection.' (Smith Moral ex. 8). Everyone who chase their own profits and don't do harm to others' benefits in the meantime is called self-interest. Thus help other is helping themselves in fact

and the more you get better the more you are willing to help others, which is a kind of huge power to make our society improve, so our society will become much more harmonious and plentiful eventually. That why Adam Smith said: ' His interests, as long as they are surveyed from this standpoint, can never be put into balance with our own; can never restrain us from doing whatever may tend to promote our own self-interest.' (Smith Moral ex. 8)

On the other hand, although Adam Smith believes self-interest may make people seems selfish, but it will bring sympathy to them as well. Smith said: ' The man of the most perfect virtue, the man whom we naturally love and admire the most, is he who joins, to the perfect command of his own original and selfish feelings, a real appreciation of the original and sympathetic feelings of others.' (Smith Moral ex. 7) It is a natural when people burn, which let people take others feeling and their happiness or sadness into them own business, even though he derives nothing from it except the pleasure of seeing it. (Smith Moral ex. 1) Smith thinks sympathy is kinds of sense which will make their emotion fluctuate with others feeling which can resolve the conflict between individual interests and social interests. ' The man who feels the most or the joys and sorrows of others, is best fitted for acquiring the most complete control of his own joys and sorrows.' (Smith Moral ex. 5) Furthermore sympathy not only means share feelings but understands and contain as well. We can acquire the same feeling when we in the similar circumstance that others had thus we will have a deeply communication with them. They will see the phase called help other is helping me. ' Smith argues, sympathy, coupled with reason, imagination, and our natural desire for " what ought to be approved of" provide the

conditions that enable us disinterestedly or impartially to examine and to approve or disapprove a motive, character, or action.' (Werhane, PH 1989, p. 677). So what prompted the ordinary people on many occasions to sacrifice their interests for others bigger benefits? It is not a noble and grand human natural, it is a strong motivation; a self-satisfied; a self-interest! (Smith Moral ex. 11)

Smith thought everybody burn with self-interests they only want to do the things good to themselves, which is the prime motive for human's active. People help others want to achieve their own goal indeed so they will become better when they help others. ' He will be more likely to get their help if he can interest their self-love in favoring him, and show them that it is for their own advantage to do what he requires of them.' (Smith Wealth ex. 3) In this case the more individuals chase their benefits the more they motivate the whole society's progress and the society include all walks of life will achieve a universal prosperity finally. Just as Smith argue that: ' He is in this, as in many other cases, led by an invisible hand to promote an outcome which was not part of his intention.' (Smith Wealth ex. 6) Each individual is thought to be able to perceive his or her own best interests; they act so as to gain pleasure or happiness in whatever way they choose.' (Heywood, A 2003, p48)This is something that can be a win-win. ' By pursuing his own interest he frequently promotes that of the society more effectively than when he really tries to promote it.' (Smith Wealth ex. 6) So self-interest is a kind of catalytic of improving society to a great extent in this case. ' In principle, individuals always seek their own economic advantage; and, in principle, they act strictly rationally to achieve this goal.' (Skirbekk, G & Gilje,

N 2001, p 250) Smith call this the law of natural which is free competition actually, this invisible hand is a kind of power which make the market fairer.

It is important to make a division of labor in the market; I think the competition is the direct reason which causes this phenomenon. ' It is the necessary, though very slow and gradual, consequence of a certain tendency in human nature which has in view no such ultimate outcome; [this is] the tendency to deal, barter, and exchange one thing for another.' (Smith Wealth ex. 1) Smith thought it is the division of labor that increases the productivity. Everyone can just accomplish his part of job; he can focus on his own business. There is an idiom called practice makes perfect, so the efficiency of the whole market must be improved. It is a kind of exchange, just as Smith said: ' give me that which I want, and you shall have what you want. That is the meaning of every such offer.... we expect our dinner, but from their concern for their own interest.' (Inquiry into the nature and causes of the wealth of nations extracts 6). People always have much more interest in their own business than the society profits. ' It was the conduct of individual human beings that led us into this mess, and it is the behavior of individuals as well as the structuring of systems that has to change.'(Garton Ash 2014) So as we can find from here it is self-interest that motivate people to work; to do those economic activities.

Moreover, what is the simplest method to reach this boundary? Smith thought is the freedom and non-interventionism. It doesn't mean no-government, their function is limited to the administration of justice, and they are night watchman. ' He attacked economic protectionism: the government should meddle as little as possible in trade and industry.'

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(Skirbekk, G & Gilje, N 2001, p 249) So Smith strongly recommended creating a free-market. ' In an ideal free market resting on private property, no individual can coerce any other, all cooperation is voluntary, all parties to such cooperation benefit or they need not participate.' (Friedman 2014, pp. 122-126). He opposed the state intervention in the economy, because he thought the market will automatically adjust. This is what he called ' the invisible hand', it will help people maximum their own profits and the society will make progress with individuals in the meantime. So it can make a combine between self-interest and public-interest. When the businessmen work hard to do their own business this ' invisible hand' will let them to choose the best-fit for the society. This is also help other is help ourselves. ' Altruism is relegated to no more than delayed self-interest, so, for example, the more we create a good reputation, the more we can exploit it for economic advantage.' (Hutton & Schneider 2014, pp. 13-17.)

So as the analyses I have presented above, we can clearly find that self-interest is the necessary and sufficient condition of our society's thriving and prosperous. The better market can't leave self-interest, which means they can't exist without each other. Smith described that the conflict between self-interest and public-interest can be solved by combining them. They made each other! Thus if everyone can motivated by their self-interest, they will try them best to acquire the profits, which can motivate our society's economy and make the market much more efficient and fairer ultimately.