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Introduction

One might ask, 'What is Adam Smith problem?' Adam Smith's problem emerged at the end of the 19th century because of a controversy that occurred between Adam's published books, 'The Wealth of Nations' edited in 1976 and 'The Theory of Moral Sentiments' written in 1759. The discrepancy, noted by various scholars in the two books is what resulted to the coining of the phrase, "Adam Smith problem". These controversies stand out in the meaning postulated through his two books with people declaring 'The Wealth of Nations' as the one that upholds the notion of self-interest.

On the other hand, "The Theory of Moral Sentiments", written in 1759 agitates or rather promotes munificence or commiseration as opposed to self-interest, evident in his later book (Smith 1978, p. 43). Therefore, the ideas postulated in 'The Wealth of Nations' relied largely on economics while those presented in his 'The Theory of Moral Sediments' based on ethics. This rift and disagreement of Adam's thinking in the two books has led to many questions from several commentaries. The conflicting ideas range from the ethics, economic ideas, religion, selfishness and self-interests among many others. I also conquer with the views of these psychologists on the fact that somewhere, Adam Smith portrays controversy while his book entitled "Wealth of Nations" seems more concerned on the issue of self-interest and capitalism. On the other hand, the book on "The Theory of Moral Sentiments" addresses much on human psychology providing an insight to the understanding of the reasoning and thinking of human beings. In his book, 'The Wealth of Nations', Smith sought to provide a limelight on how <https://assignbuster.com/introduction-providing-an-insight-to-the-understanding-of/>

the society was able to hang together irrespective of every person being busy following his own self-interest and yet not flying apart (Fitzgibbon 1995, P.

32). He further sought to find out what it was that guided each person's individual private businesses regardless of their traditions as well as achieving their needs as a society. " These questions resulted to ethics formulation of laws of the market, which he otherwise referred to as the " invisible hand" whereby passions and interests of men are directed in the interests of the whole society" (Smith 1978, p. 47). Furthermore, his law of the market simply reveals that any results of particular conducts in any collective structure stands a chance of leading to an explicit predictable consequence in future. It therefore illustrates to people on how the individual's self-interest in an environment results into competition in that system. The resulting competition then leads to the production of goods that the society wants and in the required quantities and the prices that the society seems able to afford or rather pay.

The self-interests stand out as the ones, which drive people into doing certain actions. However, the interests may lead to some of the individuals, holding up the society into ransom by charging exorbitant prices. Therefore, what regulates such like individuals is no more than competition. Therefore, the intermingling of people stands out as a major determinant of their motives. Such interactions stands a good chance of nurturing what Smith refers to as the most unpredicted outcome: social harmony. The theory also holds that, the producers of good must respect the demands of the society, which determine the quantity of the goods and wants.

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Based on the illustration that Smith provides, “ if the consumers want more gloves as opposed to shoes, it implies that the demand of the gloves will increase as that of shoes fall, leading to fall in the prices of the shoes and an increase and a fall in the prices of shoes” (Smith 1978, p. 51). This will further lead to adjustment or shift in the line of production as most producers will embark on production of more gloves and cut out the production of shoes in order to rip or benefit from the increased demand and high prices from the gloves hence creating stability in the market.

As this happens, there is no any authority of any planned schedules of output put in place but rather self-interest and competition that acts against each other brings forth this transformation. Therefore, this concept born by Adam to some extent still holds water in the modern social lives. Although the situation is not similar as it was in the 18th century, as nowadays, there exists large multinational and corporations who may stand the wave or the tide of the current demand and the law of the market in general.

On his take on economic growth, Smith noted “ no society can be flourishing and happy if its majority of people are poor and miserable about life’. He therefore demonstrated that society keeps on changing and improving, a change that is self propelled without for example parliament passage of laws but it moves because there is a powerful engine beneath it that propels these improvements.

Meaning and Context of Selfishness according to Smith

Adam Smith seems opposed to Hobbes’ take on self-interest that it serves as a guideline in every activity or action in that person involved. This means

that each person individually profits from the action that he engages in.

Smith expresses his 'non-satisfied' based on Hobbes' view by presenting an example of a soldier who stands out as willing to sacrifice his life for the sake of his own country. He concurs with the opinion that a wise man will first put the interest of his specific order or society before his own and sympathy should not to be accompanied by any sort of attitudes. The above example of a soldier, who decides to engage in a war therefore risking his own life, does not support fully the notion of selfishness and the direct self-interest.

The soldiers, as they engage in the fight, they do it without their interests in mind. Therefore, this view held by Adam provides a limelight on the current social disciplines: how the daily situations that people engage in without any instances of benefiting themselves. Therefore, it passes for a moral act postulated by Smith that certain actions that people do, do necessarily imply any motive of their own interest. A good example is the case of the soldiers, if they end up dying during the course of defending their country they may not benefit from the victory of defeat rather it is the country at large, which they representing that will benefit as a whole. Therefore, the book 'Theory of Morals' by Adam holds some weights in the modern social disciplines. On the other hand, sympathizing or showing benevolence to another person in the modern social life seems diminished. Individuals are not able to engage in an initiative constructively without being paid for the services or the activities they engage in.

Therefore, in the current society, things have changed, as it was during the times of Adams as the society have evolved and adapted to new ways of life.

The situations that people go through nowadays do not compare with those
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that Adam Smith went through. However, this does not mean the dumping into a dustbin of all that Adam postulated in his theory of moral. The claim holds since some of his ideas and concepts have played a constructive role in shaping the modern society, and therefore, they stand a chance of recognition and appreciation.

In his ethics, Adam used a concept of impartial spectator as a balancing component in determining people's interests to the interest of other people (Lubasz 1998, p. 54). Hence, individuals should feature their ability to accommodate other people's viewpoints. They need not to over rely or concentrate much on their own interests but they should provide some space to accommodate others point of view. This concept has some significance to modern lives of people especially in their day-to-day interactions. For instance, it seems moral to share something that is crucial to the livelihood of the society as opposed to concealing it for one's own benefits.

Example of these things includes basic things like water and land. Therefore, self-interest should not lead people into selfishness to the level of not considering their brothers and sisters who may be in need of them but unable to access them because of their own interests. Another aspect about Adam appears in his view about self-centeredness and selfishness. These are terms, which form the basis of people's social life. Self centeredness means that a person's direct interests act as the motives behind his/ her actions while on the other selfishness refers to focusing on interest which we are connected or associated with (Evensky 1993, P. 201). Therefore, in the day-to-day socialization, people frequently face these difficulties especially when it comes to offering assistance to others.

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At many times, people would prefer giving their assistance be it financially or any other form to those people or institutions that they seem related to and which they know as opposed to those that they may not share any relationship, otherwise referred to as strangers. Likewise, sympathy provides the same problems as to why many people sympathize for one another. This comes from the fact that the person sympathizing believes or rather assumes to be in the same situation and therefore deciding to extend his/her assistance. He/she displays concern and interest in the person who requires other people's sympathy. Adam Smith admits the issue of selfishness as sometimes good to certain level though not good in case of a person who seems not directed to others completely. Therefore, people should not depict meanness to an extent that they cannot consider or show sympathy to their colleagues as that will automatically pass for immoral and consequently unacceptable in the society. Furthermore, in his theory of moral sentiments, Adam does not elaborate or expound on the notion of good and bad, but rather zeros on man implying that the standard or the choice of what is wrong or bad is determined by a person himself.

Moreover, he points out that what people agree on as moral is right and fit for application. However and on the contrary, people declare what seems unagreeable as unfit and thus wrong and therefore not worth accommodating. Adam is also of the view that human being by pursuing the moral faculties, is the only way of attaining happiness in our lives. He therefore acknowledges the fact the human being should do that which pleases God and which makes their lives happy (Griswold 1999, p.

47). Therefore, this position by Adam shows how it seems important for the human race to do what is right for themselves and to go, as this will enable them attain happiness. The intention of a person should be the one that determines the actions of that particular person. Adam stands convinced that anybody should manifest good intentions on the courses of actions he wants to engage in as this will enable give consciously reflect upon the remedies or the problems or the results of his actions hence enabling him come up with a better strategy or ideas to enable him accomplish his actions.

Content of Smith Ethics

In his book ' Theory of Moral Sentiments', Adam does not clearly explain what makes good actions good and/or bad when done but seems to claim education as an intervention of people as it empowers them to make decision and approve or disapprove something. This problem manifests itself well in this theory of Adam Smith. In the modern society, this might not be true, as the society has marked certain actions as wrong.

The issue of homosexuality and lesbianism serves as a good example of this scenario. There exist societies and religious groups that seem much opposed to such practices terming them as unclear with other proponents arguing that people need not to view this as a bad practice as it features no signs of immorality to them. Therefore, from these illustrations, it suffices to declare it a matter of one's own choice and presumptions concerning what good or bad entails. According to Adam, judgment ensues after feelings. This judgment occurs after a distraction or disturbance of a person's moral disposition. Judgment comes about when there occurs a surprise.
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Astonishments anticipate a response that seems not forthcoming and ones, which thereafter triggers a person to make judgments. This demonstrates clearly how people make assumptions about others in the day-to-day interactions, all of which seem based on these surprises or their inability to respond to issues that they consider important or rather vital. A working instance where people judge is when a person experiencing a blame case for doing a certain mistake does not answer the acquisition well when asked or fails completely to cooperate on the issues of discussion.

According to Smith, having a feeling or simply or all sentiments is what he refers as to sympathize and that people only sympathize when they feel compassion and pity or when they share sorrows of their fellow colleagues. Adam's theory of moral sentiments holds that people should do right, cherish in it, and avoid evils. Although he does not expound or elaborate on what constitutes evil or good, it seems morally upright for an individual to do that which he/she thinks or rather refers to as right (Otteson 2002, Para. 5).

Therefore, applications of this view about right and evil are still a requirement as the society continues to educate its people on the benefit of having good virtues as well as avoiding the evils. Although, Adam does not specify or enlist them one by one, the modern society has gone a step ahead and earmarked those practices or behaviors that human being need to avoid and those that they are required to engage in. For instance, evil things that society disregards including, immorality, stealing among others.

Therefore, it becomes a responsibility of every person to decide which path he or she wants to work in, as it seems more of a personal choice.

Other significance of the Adam Smith problem on the modern social disciplines

Adam's problem has a great significance to the politics of these days. Many questions arise as to why a person chooses to enter into a political career. Is it because his/her own self-interest as postulated through the economic concept or is it because the person sympathizes with the electorate? Either reason, the decision to enter into politics is either to accomplish his/her interests or serve the people and elevate them from poverty (Coase 1997, Para. 3). The work of Adam Smith seems to provide answers to these queries. All these reasons make or compel someone to enter into politics though it stands out as difficult to tell unless the person himself/herself tells the reasons why he or she entered into it. For instance, some people get to enter into politics in order to meet their own self-interests for instance; they want to get the right opportunity to carry out their businesses but not necessarily representing their electorates.

Furthermore, as the theory of moral judgment postulates, some decide to enter into politics because of the love and sympathy the electorate shows. Therefore, because of the miserable lives some of the electorates go through, the person equips himself or herself with some intrinsic urge to enter into the political arena to defend the people's rights and improve their living conditions. Overall, these two works of Smith, despite the evident clashes in thoughts, apply in the current life scenario and situations as what happens today reflects the ideas of Smith. Furthermore, in the social arena, Adams problem still has an influence as most of the things that people engage in day in day out, seem best explained by his ideas. Take an

example like the careers and religious affiliations that people chose to join or enter. All these choices remain intrinsically motivated by a person's wish to achieve something after certain duration of time. These ambitions in life that people want to achieve follow because of the development of an interest in something.

For instance, some people may decide to study medicine as a career path because they like the field intrinsically and they want to be above other because of the prestige and identity that comes with it. The theory also explains or provides answers to why people choose different areas of study as opposed to only one field. When it comes to economy, the works of Adam especially the wealth of nations comes in handy to explain the concept of capitalism and the need or the interest people wish to achieve. Economy is able to function because of the individual's self-interest in amassing wealth, which eventually results to harmonization of society without their consciousness. This self-interest ushers in competition and thereby ensuring a self-regulating market, which eventually leads to a balanced, or equilibrium of demand and supply of products.

Therefore, based on Adam's book on 'Wealth of Nations', concepts and ideas may not appear fully in utility as his ideas provide a playing ground and a sense of understanding as to how the economy of the world operates. Regardless of his basing of his ideas on small business outlets, the ideas stand out as constructive further assisting largely in developing the current and modern economy.

Conclusion

Based on the expositions made in the paper, the issue of Adam Smith problem seems clear and to the point. The problem follows Adam's two books namely 'The Theory of Moral Sentiments' otherwise abbreviated as TMS and 'The Wealth of the Nations' abbreviated as TWN. The contradiction evident in the two books forms the basis of the so-called 'Adam Smith Problem'. Adam Smith has tried to project sympathy in his book "The Theory of Moral Sentiments," as the basis that makes human beings show concern to their colleagues. Through the idea formation of people, they try to image how their colleagues feel and how they will feel if put in the same situation.

This explains how people sometimes may feel miserable because of their beliefs or making assumptions that their fellow colleagues are miserable. Consequently, they feel happy if they learn that their colleagues are also happy as a result. Therefore, as long as some of his views do not hold to the current situation, it seems worth acknowledging of the impact or the effects his work has contributed in the current psychological world. From the discussion, and his work, it seems true that although human beings seem more concerned to self-love as opposed to others, they are able to reason and reach the best conclusions. As Adam notes, human beings are not right per se as they fault or wrong here and there and are engrossed with selfish interests.

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