

INTRODUCTION

“A TENDENCY TO ABSENCE”

Which *Other* Adam Smith?

IN OCTOBER OF 2008, in the midst of the most serious economic crisis since the Great Depression, the Committee on Oversight and Government Reform of the U.S. House of Representatives held five hearings to arrive at a preliminary understanding of the global financial collapse.¹ The Committee's fourth hearing, according to Committee Chair Henry Waxman, concerned “the actions—and inaction—of federal regulators,” given the “prevailing attitude in Washington . . . that the market . . . knows best” (hereafter *FC* for *Financial Crisis*). To this end, the former chairman of the Federal Reserve Board, Alan Greenspan, was called on October 23, 2008, to testify about the role of federal regulation, or lack thereof, in the crisis. Waxman did not mince words in his questioning of Greenspan. Perhaps his most damning question involved reading Greenspan's own words back to him: “I do have an ideology. My judgment is that free, competitive markets are by far the unrivaled way to organize economies. We've tried regulation. None meaningfully worked” (*FC*). Given the obvious fact that the lack of meaningful regulation had led to a global accumulation of toxic assets (most of which originated in the United States), which were sold, repackaged, and resold until the entire financial system began to collapse, Waxman could only ask whether Greenspan had not been a prisoner of his own thinking: Had the former chair of the Fed made decisions on the basis of an ideology that, in the light of a global financial crisis, he would now have to admit was wrong?

In response to such a question, Greenspan admitted not only that he'd had an ideology but also that “everyone has one” (*FC*) and, yes, that his had proven

incorrect in certain respects. What respects? Greenspan's answer was evasively technical: It was not the unregulated securitization of sub-prime mortgages, but rather the failure of what he called "counterparty surveillance" (that is, the knowledge necessary to pursue one's self-interest in a competitive environment, on the part of both financial institutions and investors) that engendered the crisis. Thus, self-interest and the knowledge necessary to its pursuit—the surest, natural, and endogenous (as opposed to artificial, external, and exogenous) form of market regulation—had failed. The result was a "once-in-a-century credit tsunami" (*FC*).

The consequences of the financial collapse of 2008 have become mercifully clear: Rather than questioning an ideology that had so clearly failed, the prevailing economic powers have simply reaffirmed their faith. As we move further into the twenty-first century, the commitment to austerity has perhaps never been so firm: the hollowing out of the welfare state; the dismantling of civic institutions, including public higher education; a relentless privatization not only of formerly state functions but of the very elements, water and air; the increase of inequality both within and between nations.²

Today, even Smith's rather limited ability to sympathize with the laboring poor seems like a moralism without any legitimate place in the debates concerning how best and how fast to shrink the already shrunken state. Clearly, the failure of ideology to which Greenspan refers, however technical the language of his confession, was anything but a technical matter. It was the failure of an ideology according to which only originally dissociated individuals, left free to pursue their self-interest in the most rational way possible, could efficiently produce and distribute the world's wealth. The presumption of rational self-interest led to the law of supply and demand that not only explained price fluctuations but also insured the efficient allocation of labor and capital, and thus advanced the ever-increasing development of a society whose crises were nothing more than the corrections necessary to further prosperity.

It is important to note that throughout his testimony to the House Oversight Committee, Greenspan never refers to his theory, but to his "ideology." When he invokes a model, it is clear that this model—the regulation of derivatives markets by the immanent principle of "counterparty surveillance"—is in fact a subsidiary of the ideology itself. An ideology is far more expansive than a theory or a model, and its success paradoxically depends on what it obscures or excludes: It is nothing less than a worldview, which in this case, as in all others, implies not only an economics but also a politics, an ontology, and, finally, a

kind of economic theology, if the notion of economy is historically separable from those of theodicy and providence.

The term “ideology,” used as an unlikely keyword by Greenspan, sometimes means no more than its etymology implies: a system of ideas. But ideas about what? And which ideas are included, which necessarily excluded, from a given ideology? More often, however, especially in the twentieth century, the term has been used, if at all, pejoratively. One would denounce one’s opponent’s discourse as ideological rather than objective or scientific. Ideology often bears the taint of outright falsification in the service of some political project or agenda, as we say today; or it is at least often understood as a harmful distortion of agreed-upon facts, something that disturbs and contaminates rational discussion. But here the case is even more serious: The ideology that guided an individual like Greenspan in his commitment to regulation-free markets exceeds the ideologist’s awareness and necessitates an act of confession in which the sin becomes intelligible to the sinner only after its commission. Thus, we could say that Greenspan is in the grip of an ideology that he only partly intuits, and that he is forced by the situation to become more critically self-reflective than he otherwise might be.

The idea of the self-regulating market itself rests on a whole set of presuppositions about the nature of the individual, about the relation of the individual to other individuals, and finally about the means by which the social order is promoted or endangered. In this sense, the noun “ideology,” as used by Greenspan, might be regarded as the stand-in for a proper name: Adam Smith, whose famous notion of the invisible hand illustrates allegorically the proposition that social harmony is a product of *partially* intelligible (because individual) but *universally* effective (because mutually beneficial) human action, but not of human design. Greenspan—who appropriately enough delivered the Adam Smith Memorial Lecture in Kirkcaldy, Scotland, a mere three years before the collapse that had occasioned the House Oversight Committee’s hearings—remains bound to a version of Smith that, while not exactly false, can be sustained only by suppressing the enormous complexity and constitutive contradictions of his actual work.³

There is perhaps no greater index of the contested meaning of Adam Smith’s writing than the fact that at the very moment Alan Greenspan admitted to a flaw in the worldview he derived from reading Smith in one way, the prominent Marxist sociologist Giovanni Arrighi was championing Smith in another. For Arrighi, Smith provides the answer to the very crisis that had, for Greenspan,

called the Smithian worldview into question.⁴ Of course, Arrighi's Adam Smith is not Greenspan's. Arrighi's Smith is a theorist of commercial society who rejects the idea of a self-regulating market and sees the necessity for state intervention to insure economic growth and protect against crisis. Further, according to Arrighi's Smith, only state intervention can mitigate the necessary but disruptive effects that attend the long march toward national prosperity, a point from which North American and European policymakers are today in full retreat. Arrighi's Smith bemoans the effects of the division of labor necessary for the production of capital and thinks that these effects (for Smith, potentially stupefying) must be offset by state-supported public education.

Like so many recent commentators outside the discipline of economics, but perhaps more audaciously than they, Arrighi argues not only that Smith was never the proponent of *laissez-faire* capitalism he was reputed to be, but that he had never been a proponent of capitalism at all. Rather, Arrighi's Smith is the unrecognized champion of a *non*-capitalist commercial society or, at least, a very deliberately legislated, state-controlled market society. He refers here not to the European social democratic experiments of the postwar period, but instead to the benignly authoritarian regime of the People's Republic of China, whose highly productive economic system, he insists, is not (or, at least, is not yet) capitalist, despite appearances. In a highly polemical (and selective) reading of Smith's portrayal of China in *The Wealth of Nations* (hereafter *Wealth*), Arrighi sees the revolution of 1949 less as a bold new social experiment than as a restoration of an integrated state/economic system that had endured for nearly two thousand years, interrupted only for a relatively brief time by the intrusion of European and Japanese imperialist powers that the Chinese revolution succeeded in repelling. The Chinese economy weathered the global financial meltdown, according to this argument, because the regime had understood and held fast to principles that Arrighi's Adam Smith had so comprehensively demonstrated, principles that Smith's self-proclaimed Western disciples had overlooked or half-consciously ignored.

The juxtaposition of these particular, and particularly wide-ranging, readings of Smith, both of them responding to capitalism's latest great crisis, is revealing in a number of ways. While the loss of faith in capitalism's ability to correct itself led, as Greenspan noted, to a generalized turn to Marxism during the Great Depression, today it appears impossible to abandon the terrain constituted by Smith's texts. It is no longer a question of whether one is for or against Adam Smith. Rather, the problem seems to be *which* Adam Smith one

prefers, or perhaps which Adam Smith must be ignored.⁵ Ironically, today the architect of the unrestricted market, who seeks to coordinate individuated self-interest with national wealth and universal social harmony, implausibly coexists with the radically inverted figure of Adam Smith, the unwitting social democrat whose work demonstrated the impossibility of market rationality.⁶ It is worth remarking, however, that the division of Smith into incompatible versions of himself is in no way peculiar to the beginning of the twenty-first century.⁷

In fact, radical differences in the evaluation of his work have troubled Smith scholarship from its earliest incarnations. The idea of a bifurcated Adam Smith—an early moral philosopher and thinker of what would come to be called intersubjectivity, in opposition to the later theoretician of the market who focused on individual self-interest—was articulated by the German scholar August Oncken in 1897 as “Das Adam Smith Problem.”⁸ The *locus classicus* for this perception of a bifurcated Smith in the United States is the work of Jacob Viner, who found it impossible to reconcile the Smith of the earlier *Theory of Moral Sentiments* (hereafter *TMS*) and the mature writer of *Wealth*.⁹ Viner’s view of a divided Smith—a Smith split between individualized capitalist self-interest on the one hand and virtuous social harmony on the other—was revised by the consensus of later critics who sought to balance *Wealth* and the *TMS*. Marking the 150th anniversary of *Wealth* in 1926–27, the University of Chicago group heard influential lectures from such writers as Glenn Morrow and Viner.¹⁰ These lectures remain one of the most important sources of the longstanding interest in having an integrated, and more or less unified, Adam Smith.

But one could remark that this integration of competing versions of Smith—call it a twentieth-century “Adam Smith Solution”—was itself predicated on the unwitting ignorance of his so-called minor works.¹¹ Moreover, the positing of a simple dualism within Adam Smith’s published material of an economic and an ethical Smith forgoes the problem of (authorial) individuality and (textual) collectivity. The architectonics of Smith’s bibliography as a whole (or what passes from one moment to the next as a whole) is worth highlighting here because, as we shall see throughout *The Other Adam Smith*, it is precisely the problem of particularity and unity—of individuals and collectivity—that governs the Scottish Enlightenment’s preoccupation with division and categorical completeness at each and every level of concern. It was Smith’s contemporary Adam Ferguson, the early historian of civil society and chaplain of the Highland’s Black Watch (about whom more in Chapter 3), who proclaimed a new approach to “thinking itself in this age of separation.”¹²

Whether in the realm of epistemology, ethics, nationalism, or political economy, the *other* Adam Smith problem, and the one we will argue has not been fully addressed in recent scholarship on Smith's more complete oeuvre, begins with the question of how to achieve universality in any meaningful sense of the term given modernity's theoretical and political prioritization of individual interest over universal need. The same problem of parts rendered whole, of how to settle the specific into the general, the individual into the universal, particularity into unity—there are many ways to put this *other* Adam Smith problem—is evident even at the bibliographical level in terms of the availability of Smith's own texts (or more precisely, those texts that most scholars have agreed to attribute to him). Indeed, about half a century after Oncken postulated an Adam Smith who occupied two opposing positions in the late 1890s, more than double the amount of words published in the two more famous works of *Wealth* and the *TMS* have found their way into the remainder of the *corpus* most scholars currently attribute to him.¹³

Thus, part of Smith's history seems to have doubled in size over time. The response to this problem of scale by the majority of recent commentators has an almost reflexive and, as we shall see in the four chapters that follow, very Smithian desire both to sort and divide Smith's new work, while making it consistent with the earlier material. Late discoveries of student notes on Smith's rhetorical and belletristic lectures, his philosophical writings (also thought lost), and two different juridical texts, these too in note form, in the decades after Oncken bring yet another Adam Smith problem into relief: This new problem does not compel or even allow us to choose one or the *other* Adam Smith, nor does it require that we begin with the premise that the more recently discovered texts fit unambiguously into the framework of the old based on an assumption of authorial unity.

The fact that two long manuscripts remain missing should also be noted: One seems to have contained a treatise on the "History of Law and Government" and another, a study of "the different branches of literature." This clearly marks a major gap in Smith's oeuvre. Thus, in addition to the (changing) problem of scale in determining which Adam Smith to identify, we must also consider the implicit problem of absence: Which themes, conclusions, references, and writing go missing in Smith, even as we widen the bibliographical frame?¹⁴ What we have in mind is a reading of Smith in relation to other significant eighteenth-century thinkers that focuses on those places in his work where the desire for organizational wholeness does not, or does not easily, supersede

the persistence of multiplicity. At four different levels—the epistemic, the subjective, the national, and the economic—our interest in an *other* Smith is to reanimate the question of parts and wholes, immanent in our very object of study, Smith himself, where multiplicity is least resolved and most intense.

The belated arrival of the vast quantity of additional material attributed to Smith, his so-called minor work, paradoxically raises a new set of Adam Smith problems directly related to the presuppositions of the ideological blindness that Greenspan was forced to address. The oscillations of meaning within the discursive network constituted by and around Smith's known texts are determined in the first instance by the arrival of newly discovered writing unknown to Oncken and his kin. In this sense, and we think the admission (this time, our own) is crucial, the question of *which* Adam Smith is available to put on offer is subject to historical fortune. Ours is both a historical and a contemporary Adam Smith: The expanded object of study that includes Smith's late recovered texts contains ambivalently within it emergent forms of division and collectivity that are to this day struggling to be known.

As early as 1967, a year auspicious for popular contention in the United States and Europe, Ronald Meek aptly noted that the first problem one encounters in writing on Adam Smith is the sheer volume and diversity of extant interpretations.¹⁵ Since there are good summaries of recent Smith scholarship, and a recently established periodical review that bears his name, we do not need to rehearse that body of scholarship here. Let us instead simply underscore by way of introduction that this question of volume and divergence in the reception of Smith makes him both a popular figure in the most crucial sense of that term and nothing if not contentious in the same way. Historian H. T. Buckle remarked, with the enthusiasm characteristic of his nineteenth-century capitalist good faith, that Smith's *Wealth of Nations* "is probably the most important book that has ever been written."¹⁶ This may not be as hyperbolic as it sounds. While the *TMS* had already made Smith famous, the later book, his last, sold out within six months of its publication and went through ten editions very soon after. In addition to an American edition (1789), *Wealth* appeared immediately in German (1776), in Danish soon after (1779–80), and in French (1779–80), Italian (1780), Spanish (1794)—and even Gaelic—by the end of the eighteenth century.¹⁷

In these introductory remarks, what concerns us about the fact that Smith is a popular figure is how the problem of popularity itself operates within the materiality of his writing—that is, not only at the level of Smith's reception

but also, almost uncannily, in ways that match Smith's own thematic preoccupations. The problem of the popular, the problem of calculating the multiple and the multitudinous, is at the core of Smith's work and surrounds it. Indeed, Smith repeatedly reaches certain impasses as he pursues the question of what it means to be an individual—as well as to *individuate*—while being part of a collective arrangement that exists, provisionally and often perilously, by what it excludes from itself. Whether that precarious collective arrangement is achieved through the proper divisions and categories of a universal knowledge system, or through the modulated distinction between oneself and another, say, between Briton and Scot, or the desired harmony between the few capitalist owners and the majority of laboring men and women, it is the problem of mediating between individuation and unity and of confronting this process of mediation as anything but complete or guaranteed.¹⁸ The various kinds of impasses over philosophical, ethical, national, and economic unity that emerge as much around as *within* Adam Smith—the impasses to which Greenspan, for one, bears apologetic witness—are certain to arise again. History proceeds to change, time moves, categories mutate, and anomalies amass within and against peaceable collective arrangements; and these things happen in ways neither Smith (nor his readers) could (or can) know in advance.

Thus, the broad spectrum of views on Smith continues to increase in complexity and scope, and perhaps also in volatility, as we find ourselves in the present age faced with competing claims for and against the legacies of the Enlightenment. There still exists a paradox of multiply regnant *Smiths*—from Greenspan to Arrighi, and beyond and between—that somehow settles under his name. Such a paradox is surely one of the more widely applicable lessons about history, reading, and, not least, the often-surprising encounter with interpretive difference over time that Greenspan's testimony before the congressional committee so perfectly captures.¹⁹

The Other Adam Smith does not assume that we are limited to a choice between Greenspan's or Arrighi's Smiths—or something in between—preferring instead to focus on individuality and collectivity as an eminently Smithian problem that remains to be explicated. We might simply call this the problem of popular contention, a problem that extends from the popular status of Adam Smith and his tumultuous readership to the preoccupations with collectivity and conflict that he pursued through the realms of epistemology, ethics, governmentality, and, not least, wealth. We are not content to produce either a flat-footed indictment or celebration of Smith's political economy, and certainly

not at the expense of the vast and varied kinds of work now available as Smith's own. Rather, *The Other Adam Smith* sets out to read him as the conflicted interlocutor and sometimes the initiator of a far-reaching set of discourses concerning the production of knowledge, affect, freedom, and markets, as well as social and economic justice, and to consider certain facets of his legacy in a way that is focused on a wider set of texts than is typical in more conventional studies.

The time has come to read Smith as a broadly systematic thinker, one who cannot be understood on the basis of a few well-known passages from the two more famous books, *Wealth* and the *TMS*. Our book will offer something more complex and variegated, and yet, to stay within the register of an entirely Smithian problem, also something more widely connected than what has been associated with him in the past: We call this something an *other* Adam Smith. But our use of the term "other" is designed not to reconvene a discussion of him as *either* commercially *or* morally oriented; nor do we feel compelled to reconcile these tendencies in a unified whole. We use the term "other" before the proper name Adam Smith in the same way we refer to popular contention: a kind of conceptual shorthand for the ways in which difference and plurality remain irreducible and lead to revealing points of impasse that disrupt accepted forms of coherence as history (his as much as ours) continues to change. To articulate this point about popular contention in a different register, we could say that the opposite of individual subjectivity is not the "other." Rather, this subjectivity is historically conceived as a counterpoint to the problem of masses.

Given the availability—without authorial consent—in the 1970s of Smith's *Lectures on Rhetoric and Belles Lettres* (hereafter *LRBL*), the two versions of student notes comprising the *Lectures on Jurisprudence* (*LJ*, plus A or B indicating which manuscript) in the 1950s, the 1980 Oxford University Press reprinting of his *Essays on Philosophical Subjects* (*EPS*), and the collected correspondence and his early literary-critical writing, István Hont and Michael Ignatieff were right to call for a "renaissance" in the studies of Adam Smith.²⁰ They were right to insist that such work include a reconsideration of Western modernity that, it turns out, emanates in large part from the unlikely location of the United Kingdom's periphery, North of the Tweed.²¹ They were right, especially because the vast catalogue of Smith scholarship up until the final decades of the twentieth century remained ignorant, willfully or not, of Smith's *corpus* beyond the two most famous works—the *TMS* and *Wealth*—that bookend his long career. Thus, in 1992, in a volume honoring the bicentennial of Smith's death, John Dwyer, among ten Nobel laureates collected in the volume, reiterated the call

for a “renaissance” in Smith scholarship.²² But the unfortunate history of Smith studies up to the late 1990s, with exceptions we are willing to grant, is primarily oriented toward a rather partial aspect of a thinker bent vehemently on promoting impartiality, as the famous term “impartial spectator” (about which more in Chapter 2) suggests.

Two points can be made, for example, about work on Adam Smith from about the bicentennial of *Wealth* (1976) forward. First, of the two collections that emerged in direct response to this event, none of the forty-four essays deal in any sustained way with the problem of the poor. A four-volume collection of 150 “critical” assessments of Smith by leading economists has one essay on poverty and one on the policy of social welfare.²³ Smith’s repeated characterization of the laboring poor as the “majority of men” makes these omissions particularly stark.²⁴ Second, the necessity of reading Adam Smith today, or indeed, of reading in general as a socially relevant act, should not be a foregone conclusion. Reading itself only became important as a form of social agency during Smith’s time and for reasons he and his cohort were much committed to promoting.²⁵

It is true, and hopefully a sign of things to come, that in the first decades of the twenty-first century significant attempts have been made to reconsider Smith’s more familiar works in relation to concerns in the lesser known essays and lectures.²⁶ The 2006 appearance of *The Cambridge Companion to Adam Smith* (hereafter cited as *Companion*) served as a corrective to the dominant trend of too narrow a focus, as “an up-to-date examination of all aspects of Smith’s thought.”²⁷ The first two chapters of this influential volume are on the imagination and belletrism in Smith, respectively; the third chapter, on language. But there is a certain problem with the *Companion* that perhaps no volume (no companion?) can escape and that is the Smithian problem of particularity that the word “all” as in “all aspects of Smith’s thought” would seem to override. While agreeing with Knud Haakonssen (*Companion’s* editor) and Donald Winch that Smith wanted to “counteract the avariciousness of the rich, so it [government] can remedy the corruption of the poor,” in his review of the *Companion* Eric Schliesser points out an “anti-philosophical bias,” which is expressed in the exclusion of certain topics and in the “intellectual orientation of the contributors,” but also “in the editors’ treatment of the legacy of Smith.”²⁸ In particular, Haakonssen and Winch distinguish “between legitimate and illegitimate legatees” (*Companion* 367). The latter category consists of readers who do not treat Smith’s oeuvre as a unified whole, whose parts cannot be

understood independently of the totality that determines the meaning of each particular text, even as the editors themselves admit that Smith's *corpus* is incomplete (certain of his lectures are still missing, and Smith left unfulfilled a promise to complete a grand synthesis of his work, connecting topics in the various essays and other books).

Once Smith's "intellectual enterprise is taken as a whole" (*Companion* 367), we have satisfied the desire for unity that Smith unsuccessfully demanded of himself.²⁹ Further, Smith's philosophical wealth has attracted "a crowd of enthusiastic claimants," among whom it is necessary to distinguish those whose claims are legitimate from those whose claims are baseless if not fraudulent. It is significant that a word like "crowd" (let alone "enthusiasm," as we will see with Hume in Chapter 3), a word so important to eighteenth-century political thought, is used without historical reflection, even as the editors repeat the Smithian gesture of sorting particularity into proper categories and governable collectives. In this sense, the word "coherence" (but who could argue against "coherence"?) enables and in fact compels twenty-first century readers of Adam Smith to ignore those passages in his work that seem to conflict with or diverge from the legitimate meaning of his thought. These silences, or gaps, cluster around the points at which he arrives at the problem of popular contention, signaling certain limits in Smith's arguments and explanations and obscuring what might lie beyond them.³⁰

Eric Schliesser and Leonidas Montes's collection, *New Voices on Adam Smith* (*New Voices*, like the *Companion*, was published in 2006) seeks less to establish what is legitimate than what is genuinely new in the study of Adam Smith.³¹ Haakonssen's foreword to this volume marks what is by now the commonplace problem for newcomers to Smith of "a sense of bewilderment at the sheer variety of angles of approach and topics of discussion offered by commentators" (*New Voices* xvi). Even as he resorts again to the language of inheritance, legacy, and thus to the problem of the transfer of property across generations, noting the "multiplicity of academic disciplines which can lay 'claim' to Smith" (*New Voices* xvi), he nevertheless praises the *New Voices* volume insofar as it "should help to further the diversification that is necessary when dealing with Adam Smith" (*New Voices* xviii). This diversification is made necessary above all by the variety of Smith's recovered *corpus*, but also by our knowledge that it was originally even more diverse. Haakonssen, for example, draws our attention to lectures by Smith, specifically on natural theology, of which we have no written record but whose absence has certainly shaped the reception of Smith.