



**Theoconomy: An ethical paradigm for
discernible economic growth – a global
ethical perspective**

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In Memory of my Parents –

I wish I could one more time say *thank you so much*.....

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To God – The Author of Nature, Soli Deo Gloria

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II. ABSTRACT

The global economy needs a new order and new growth stimuli. Advancing from the modern age characterized by the industrial revolution with the associated materialism and consumer sovereignty, the emerging postsecular age is confronted with severe anomalies that threaten the world order, the quest for social justice and continued economic prosperity. The averment in this thesis is that the persistent anomalies indicate that the prevailing economic models cannot effectively respond to these anomalies. The present-day anomalies cannot be resolved by the current economic plans, political programmes, legal regulations or social engineering. What is indeed required is a moral renewal of society and a change in the inner orientation of individual persons. The economic household should be organized differently. The superficial ethics of materialism, instant gratification and the philosophy of futility should be replaced by a new *framework of flourishing*.

This thesis introduces a new ethics paradigm labelled *theoconomy*. It ought to constitute a fundamental part of any economic stimulus package or national development plan. *Theoconomy* offers an ethics framework or outline for continued prosperity, and essentially has two dimensions. The first is the deliberate advancement of agreeable ethical and moral sentiments for economic growth (*Exchange ethics*). By advancing agreeable ethical and moral sentiments, the global economy would be re-embedded in its correct social and ethical context. In so doing, the global economy would undergo a deepening process, that would change the economic behaviour and the preferences of individual persons, and ultimately society at large. This would result in *discernible growth* that could respond effectively to the present-day anomalies.

This new ethics framework is founded on the ethics and moral sentiments of Adam Smith, the father of capitalism. For this reason, the ethics of Adam Smith are evaluated in terms of eight principles or standards by which ethical and moral views may be evaluated.

The thesis concludes in the first instance, that the ethics of Adam Smith offers the minimum conditions, binding values and a universal ethics standard that would be acceptable to a new postsecular global society. Secondly, Adam Smith's ethics as it underlies the reasonable, rational and sensible person, can indeed respond effectively to the new narrative and conditions of the postsecular paradigm that is emerging. Thirdly, the thesis offers a new outline of shared theocratic ethical principles and virtues that would transform the economic behaviour and preferences of individuals and ultimately the society at large. Finally, the thesis concludes that *theoconomy* would bring about a new economic order and serve as a growth stimulus in the postsecular age by advancing the principles of social justice, individual ingenuity and self-betterment.

Key Terms:

Adam Smith, Paradigmshift, Ethics, Virtues, Economic Growth, World Religions, Business Success, Theonomy, Theonomist, *Exchange Ethics*, Discernible Growth, Global Ethics, National Development Plan, Moral Renewal, Post-Secular Period.

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CHAPTER 1 INTRODUCTION

1.1 BACKGROUND

The Parliament of the World's Religions convened in Cape Town, South Africa, during the summer of 1999. On this occasion, the 1999 parliament continued a tradition started in Chicago in 1893. This tradition was resumed in 1993 when more than seven thousand people from a wide variety of the world's religious and spiritual communities gathered again in Chicago (Parliament of the World's Religions, 1999:3). On the occasion of the 1999 convention in Cape Town, South Africa, the Council of the Parliament reflected on the critical issues of our time. They concluded that the critical issues of our time could not be resolved with economic plans, political programmes, or legal regulations alone (Parliament of the World's Religions, 1999:8). What was indeed required, according to the Parliament (1999:8), was a change in the inner orientation, the whole mentality, the "hearts" of people, a conversion from a false path to a new orientation to life. The Parliament (1999:11) therefore called on the international society to search for effective ways of bringing the attention, energy and influence of religion and spirituality to bear on the critical issues confronting the planetary community. This study is a humble attempt to respond to that call. The study is founded on the supposition that, with all due respect to the philosophy of the economy, a new approach is indeed required.

Andrew Lightbown and Peter Sills (2014: vii) also argue that a new response to the deficiencies in the way we think about economics today is needed. This thesis follows the same thought process when addressing some of the critical economic issues that face humanity in our time. Lightbown and Sills (2014: viii) offer a new approach, which they term *theonomics*, the basic tenets of which are rooted in Christian principles. The notion in this thesis is, however, that the fundamental tenets of a new paradigm for discernible economic growth should rather centre on the values, perspectives, assumptions and principles of the "global ethic" as argued by Hans Küng, President of the Global Ethic Foundation and author of *A Global Ethic for Global Politics and Economics* (Küng, 1998:91). The thesis dubs this new paradigm *theoconomy*.

The epistemology of *theoconomy*, as a new concept, is informed by the principles of discernible economic growth and global ethics as rooted in an ultimate reality, which the different traditions call by various names (the Absolute, Allah, Brahman, Dharmakaya, God, Great Spirit, the One, Waheguru) (Parliament of the World's Religions, 1999:12). Like the Global Ethic Project of the Parliament of the World's Religions, this thesis relies on the hope, strength, wisdom, vision and words that we as a global community draw from our shared commitment and dependence on an ultimate reality. The trustworthy values, norms, motivations and ideals reflected in this thesis are therefore all grounded in an ultimate reality, which in this thesis, very respectfully and with humility, refers to God-Father, "The Ultimate Creator of the universe." Within this perspective, this

thesis posits the new paradigm of *theconomy* as a new imaginative way to address some of the critical global economic issues that confront us all.

1.2 PROBLEM STATEMENT

As Lightbown and Sills (2014:vii) so aptly put it: “Economic crises are nothing new, but the present crisis has a new dimension. It has laid bare the shallow ethics.” Superficial ethics underlie the depletion of resources, inequalities between states, war, consumerism, corporate conduct, corruption and selfish pursuit for material liberation and domination of one over the other – one nation over another, rich over poor, elite over the disenfranchised, employer over employee, material freedom over poverty and destitution, and ultimately, humans over nature. This lack of ethics and the deficiencies in the way we have been commanding the economy in modern times have caused the critical economic issues confronting all of us. The Parliament of the World’s Religions (1999:8) highlighted the critical issues of our time as: unrelenting demand on the earth’s limited resources; growing divide between rich and poor; aggravated injustice; lack of spiritual direction; disintegrating communities. These critical issues manifest in many ways, notably depletion of national resources, inequalities between states, poverty, unemployment, skewed resource allocations, economic domination, war, pollution, wastage, corruption, exploitation and unethical conduct.

For many, the answer to these critical economic issues lies in advocating an even higher rate of consumption and spending as a basis for a sound economy. That, if pursued vigorously, would supposedly lead to even greater wealth and prosperity that would undo all evil. More people would be employed, and greater material freedom and prosperity would be achieved. The proponents of consumerism continue to argue that the *invisible hand* of selfish pursuit will continue to result in greater wealth than in the past. The individual propensity of man, they argue, should remain the only basis of a person’s economic behaviour and preferences. Others argue that the solutions are to be found in a welfare state, which is built on the social tenets of equality, while others would argue for a stable state economy where economic growth remains static or at least stable.

Despite all these well-intended arguments, the current instability of the global economic order, the growing divide between rich and poor and the relentless pressure on the earth’s limited resources, are only three indicators that the neo-liberalist, neo-capitalist and social democratic economic models do not effectively address the critical economic issues of our time. Although these models have contributed to the prosperity that the modern society is enjoying, the root cause of the current inefficiency of these models is that man’s ethical and moral orientation and approach to life have become questionable. Humanity’s disposition or mindset has become defiled and people’s approach to life has changed.

Cupitt (1999:218) refers to this change in mindset as the new postmodern condition. He argues that history has “ended” in a sense and that people no longer have any belief in progress or in linear eschatological time. According to Cupitt, humankind no longer believes in a “better thereafter.” Proceeding from this, Cupitt concludes that classic stories or theories, whether Catholic, Marxist or liberal, seem to have lost their strength. For this reason, Cupitt argues that humans are no longer filled with hope, as they are no longer gripped by any of the old stories that used to fill them with hope. Cupitt, in my view, is very harsh in his conclusion that the classic stories (theories) have lost their narratives. The master narratives of the world’s religions and the classic economic theories underlying the ethos of humanity are still very valid. However, the hypothesis in this thesis is that modern civilization is at a loss regarding the metaphysical or transcendental nature of life. This has a strong bearing on society’s ethical and moral orientation and is the cause of a change in attitude towards life and its meaning.

Vaclav Ravel (as cited by Kamran Mofid, 2005:2) came to the same conclusion. Ravel says,

I am persuaded that [the present global crisis] ... is directly related to the spiritual condition of modern civilization. This condition is characterized by loss: the loss of metaphysical certainties, of an experience of the transcendental, of any super-personal moral authority and of any kind of higher horizon. It is strange but ultimately quite logical: as soon as people began considering themselves the source of the highest meaning in the world and the measure of everything, the world began to lose its human dimension and humans began to lose control of it.

More specifically with reference to the South African context, Vorster (2007:262) is of the opinion that the South African society has made major strides in nation building since the dawn of the new nation in 1994. The people of South Africa have established the necessary social processes and have upheld a fair degree of economic prudence in tackling sensitive socio-economic challenges such as poverty, unemployment, land restitution and equal opportunities to give effect to the new ethos of the nation, this being built on the tenets of the neo-liberalist model. However, in Vorster’s (2007:262) own words, “what is also required is the correct attitude amongst citizens.” I agree with Vorster that the social processes and real economic transformation and restitution cannot succeed if they are not carried out by honest and committed people. Good intentions, according to Vorster (2007:262), can easily go astray when people are not willing to serve the greater good. Vorster finds that this attitude is indeed lacking.

The “loss” that both Cupitt and Ravel refer to is fundamental to a person’s economic behaviour and preferences. It also influences a person’s attitude, as Vorster (2007:viii) argues, and in

particular the way a person thinks and behaves. The hypothesis in this thesis is therefore that the “loss”, as it manifests in human attitude is the cause of the present-day excessive consumerism, economic and financial exploitation by business executives, excessive profit-taking, strikes, unproductiveness, pollution, corruption and unethical conduct at all levels, to mention but a few challenges of modern society. The loss culminates in a lack of commitment and an excessive emphasis on rights and individual and group interests, while trying to discard responsibilities, or at best, unashamedly work towards maximizing benefits with limited regard for the consequences. I therefore join Hans Küng in raising the question whether it is possible to continue enjoying economic prosperity without better respect for human responsibilities. Küng (1998:82) raises the question of whether we do not perhaps need a new emphasis on responsibilities to balance all the justified insistence on rights.

The neo-liberal economic models have indeed become ineffective. The moral and ethical framework underlying economic behaviour and preferences – individually within the context of the neo-liberal model and collectively in terms of the socialist model – are poorly defined and poorly entrenched in the moral fibre of society. In my view, Küng (1998:59) is right in saying that current economic modelling, proposals and plans to address deficiencies should therefore incorporate a new paradigm of ethics for the economic behaviour and preferences of individual persons, a paradigm that combines a sober perception of self-interest with a basic ethical orientation. To put it differently, the “framework for flourishing” as Lightbown and Sills (2014:ix) argue, is not prevalent or not clearly perceived at a personal level and has to be entrenched. Therefore, an ethics paradigm must be formulated for the economic behaviour and economic preferences of individual persons. As a person is central to every economic activity or decision, be it at a personal, corporate, societal or government level, the absence or lack of an ethical and moral framework for economic behaviour and preferences is vital. Such framework constitutes the core from which all other economic activities emanate.

The question is how this framework should be construed. The notion in this thesis is that the framework should consist fundamentally of ethics principles and virtues that contrast the characteristics of contemporary individual economic behaviour and conduct, such as selfishness, greed, laziness, mistrust, wastefulness, aloofness, obesity and opulence. If the correct ethics principles and virtues were engendered in the spirit and habits of a person, it would open a new era of discernible growth¹ and prosperity that is socially more beneficial, peace fostering and earth-friendly. At an individual and personal level, such an “ethics framework” would include good

¹ “Discernible economic growth” denotes economic growth that is clearly (“discernibly”) aimed at creating prosperity (“wealth”) that is socially more beneficial, peace-fostering and earth-friendly as opposed to “economic growth” that is primarily aimed at increasing the number of goods and services produced to satisfy consumer demand as measured by the gross national product (GNP) (own definition).

judgement in spending, thriftiness, trust and solidarity, obedience and submission to law and order, a greater propensity to save and preserve, physical and mental exuberance and vitality, openness to other people, and last but not least, charity and sharing of wealth and resources. But how should such an ethics framework be formulated? According to Küng (1998:104), the important substantive questions are: How should the obligations of such an ethic be formulated in concrete terms? On what basis should the concrete normative judgements that are constantly required of men and women be made? Should one perhaps start at zero – with an appeal to the initial autonomous reason, or can the great religions of humanity perhaps offer points of contrast for a formulation of an ethics framework?

I concur with Küng's analysis that although the world's religions have different doctrines, they all advocate a common ethic of basis standards that could delineate the direction, method, purpose and attitude of an individual person's economic behaviour and preferences. The shared ethical principles and virtues that ought to be entrenched in our moral fibre should therefore not be arbitrary values but should rather be deeply rooted in the various religious and spiritual traditions. For this reason, the ethics principles and virtues are very intimately related to the transcendental nature of life (Küng, 1998:105) and more particularly the eschatological view of life. These ethics principles and virtues, in light of the classical economist and moralist Adam Smith's (1723-1790) reference to the moral sentiment underlying our economic behaviour and preferences, are indeed the "invisible hand" that ought to guide each person in their economic behaviour and preferences (Smith, 1759:184). As the ethics principles and virtues underlying our individual economic behaviour and preferences have a spiritual and transcendental nature, each person individually has to clarify what may be called the "end game" – the ultimate meaning of life and in particular the purpose of our economic activities. At the macro-economic level, this would include the ultimate meaning of the production, distribution and consumption of goods and services. At an individual level, it would include the purpose of our labour, relationships and consumption of goods and services. Differently put, the question could be: "For what reason are we pursuing our economic preferences and why do we act in a certain way?" Are we doing so purely and primarily to meet our relentless cravings, desires and aversions, or are we working towards a "greater good"?

It is within this context that the call by the Parliament of the World's Religions (1999:4) entails engaging in thoughtful dialogue with persons of other traditions and cultures and searching for effective ways of bringing the attention, energy and influence of religion and spirituality to bear on the critical issues. The guiding influence of the world's religions and spiritual traditions are indeed critical in setting the "end game" or eschatological view as the context in which we should establish a common end goal. The Parliament (1999:4) contextualizes it in this way: "Visions of the World

– as it might be – have always found expression through the world’s religions.” These traditions embody human aspirations for meaning and purpose in life, for respect and mutuality between diverse people, cultures and religions, for justice and peace, for the alleviation of suffering and for harmony with the earth. In the practice of many traditions, their receptive communities have gained a glimpse and a taste of the world as it might be. Indeed, a glimpse that should resonate through the ethical principles and virtues that ought to direct individual economic behaviour and preferences. Within this context, we have to reaffirm the “end game” and we have to set a new ethical and moral landscape and question some of the implicit values and attitudes that shape individual economic behaviour and preferences. In clarifying the “end game” and by setting a new ethical and moral “landscape,” an individual’s vision will become more focused and his/her economic behaviour and preferences will gradually be transformed. This will result in the global economy becoming more discerning and responding more clearly to the global economic challenges of our day. Likewise, the eschatological view of life will become more clear and focused and each person will become more mindful and awakened to his/her creative calling.

In summary, the economic challenges of today fundamentally have two dimensions. At the *quantitative level*, the economy ought to grow more discernibly in response to the economic challenges of our time. The economy cannot continue to grow indiscriminately for the sake of individual freedom and prosperity. At the *qualitative level*, an ethical framework of shared values and virtues should be determined that would reshape and guide our individual economic behaviour and preferences to become more discerning. Equally important, these shared ethical values and virtues should qualify and accentuate our shared vision of the world as it might be: “The end game.” This thesis is therefore an honest attempt to continue the debate and concentrated search for a new ethics paradigm for the economic behaviour and preferences of individual persons that would ultimately advance an economic order that is more discernible.

Given the above perspective, the principal research question is:

How can individual economic behaviour and preferences (“economics”) be reshaped and guided by shared theocratic ethical principles and virtues (“theo”)?

1.3 SUB-QUESTIONS ARISING FROM THE PRINCIPAL RESEARCH QUESTION

The sub-questions that arise from the principal research question are:

1. What are the underlying epistemological concepts relevant to this thesis? This sub-question focuses on the concepts underlying the premise and rule of inference of the thesis.
2. What are the changing conditions over the ages that ultimately led to Adam Smith's system of thought, labelled the "market model." This sub-question focuses on how the economic behaviour, attitude and moral judgement of society have changed from the earlier Age of Hunters to the Commercial Age, or from the socialist/communal to the liberated household.
3. What are the ethical and moral principles underlying the *Classical exchange model* of Adam Smith, the father of the market model? This sub-question analyses:
 - (a) The ethical principles of behaviour that are considered to be growth-inducing.
 - (b) The admirable traits recommended by Adam Smith.
 - (c) The character of virtue and temper of mind.
 - (d) Basis of moral judgement.
 - (e) The influence and authority of human conscience.
 - (f) The final causes underlying human economic behaviour and preferences.
4. What are the deficiencies in the ethical and moral foundation of the contemporary economic discourse? This sub-question focuses on various paradigm shifts that influenced the efficacy of the market model and identifies current deficiencies in the economic discourse.
5. How can *theoconomy* resolve the deficiencies in the economic discourse? The sub-question aims at: (a) identifying focal points for consideration; (b) establishing the theological and ethical foundation of *theoconomy*; and (c) illustrating how *theoconomy* as an ethics paradigm can promote an alternative economic order that is socially more beneficial, peace fostering and earth-friendly.

1.4 CENTRAL THEORETICAL ARGUMENT (HYPOTHESIS)

The central theoretical argument and hypothesis of this study is as follows:

*Theoconomy*² can set a new ethics paradigm for economic prosperity by transforming the economic behaviour and preferences of individual persons and ultimately the society at large.

² "Theo-" as a prefix refers to the Ultimate Reality that underlies all phenomena as the highest norm of the universe and the Ultimate Truth that is transcendent; "-conomy" as a suffix refers to the term "economy" as derived from the Greek word "*Oikonomia*." "*Theoconomy*" is the resulting neologism that is subsequently expounded in this study.

1.5 AIM

The aim of this study is to evaluate *theoconomy* as a new ethics paradigm for discernible economic growth. The study is done from a global ethical perspective that centres on an Ultimate Reality.

The thesis evaluates, proposes and reaffirms shared ethical principles and virtues which, if duly and properly engendered in the spirit and habits of individuals and society at large, could positively affect the fundamental animators of economic growth. The effect would be a form of economic prosperity (“wealth”) that would be more beneficial to society, more peace fostering and more earth-friendly. In other words, such wealth is more equitable, just and sustainable.

This study is done from a South African perspective, complimented by a global perspective.

1.6 OBJECTIVES AND CHAPTER DEMARCATION

In evaluating *theoconomy* as a new ethical paradigm, the following objectives should be met:

CHAPTER 2: In response to sub-question 1

The objective of this chapter is to examine the most fundamental epistemological concepts underlying the hypothesis. In so doing, the premise and rules of inference of the thesis are outlined.

CHAPTER 3: In response to sub-question 2

The objective is to establish a historical overview leading up to the ethical and moral rationale of Adam Smith’s *classical exchange model*. The objective is to examine the evolution of *exchange ethics* over the ages to contextualize Adam Smith’s ethics and economic thoughts.

CHAPTER 4: In response to sub-question 3 (a)

The objective of Chapter 4 is to identify the ethical principles of behaviour that Adam Smith has identified as growth inducing in character. This examination offers a contextual framework for the examination of Adam Smith’s recommended admirable traits of virtue and basis of moral judgement.

CHAPTER 5: In response to sub-question 3 (b) and (c)

The objective of Chapter 5 is to examine the nature of virtue as a collection of admirable traits. These traits are recommended by Adam Smith as the proper tone of temper and tenor of conduct that the sensible and reasonable person in Adam Smith’s ethics should have.

CHAPTER 6: In response to sub-question 3 (d), (e) and (f)

This chapter continues with the examination of Adam Smith's ethics. The objective of the chapter is to examine the basis of moral judgement of human behaviour and preferences. As human conscience is according to Adam Smith's ethics the ultimate basis of moral judgement, this chapter examines the influence and authority of human conscience. The chapter will be concluded with an examination of the Final Cause of people's economic behaviour and preferences.

CHAPTER 7: In response to sub-question 4

The objective of this chapter is to determine what the deficiencies in the ethical and moral foundation of contemporary economic discourse are. More pertinently, this chapter sets out to identify and examine those paradigm shifts that have influenced the ethical and moral efficacy of the *classical exchange model* or the ethics of Adam Smith.

CHAPTER 8: In response to sub-question 5

The objective of this chapter is to clarify how *theoconomy* can resolve the deficiencies in the economic discourse. In this chapter, the objective is to establish the ethical foundation of *theoconomy* and to illustrate how *theoconomy* as an ethical paradigm could bring about discernible growth.

1.7 RESEARCH DESIGN / METHODOLOGY

As a comparative literature study, the research is focused on: (a) an analysis of the economic challenges that society is facing today; (b) the underlying causes of these challenges, in particular the lack of an ethical framework for individual economic behaviour and preferences; and (c) *theoconomy* as a new approach to the ethical discourse of the global economic challenges of today. The study is designed to critically analyse and evaluate the validity, methods and scope of *theoconomy*.

The study is done from the perspective of a global ethics paradigm as defined by the Parliament of the World's Religions. The point of departure of the study is firstly the fundamental ethical principles shared by the world's religious and spiritual traditions as reflected in the ground-breaking documents "Towards a Global Ethic: An Initial Declaration," which was signed in 1993 by nearly 200 religious and spiritual leaders from around the world at the occasion of the 1993 parliament. Secondly, the study relies on the values and perspectives as pronounced in a subsequent document titled "A Call to Our Guiding Institutions" presented on the occasion of the 1999 Parliament of the World's Religions held in Cape Town, South Africa. Thirdly, the study deduces, critically analyses and evaluates ethical values and norms that could reshape and guide individual economic behaviour and preferences towards discernible economic prosperity in terms of the normative economic dictum of the *classical exchange model* and within the framework of the global ethical paradigm.

1.8 ETHICAL CONSIDERATIONS

The study was conducted utilizing qualitative analysis and deductions. No original empirical research by means of questionnaires, interviews or observations was conducted. All original literature and empirical analysis are acknowledged in terms of the Guidelines for Research Ethics (North-West University, April 2016).

As *theoconomy* is an ethics paradigm built on the classical exchange market model of Adam Smith, the teleological foundation of *theoconomy* is deduced from Adam Smith's ethics and moral views. For this reason, the central teleological concept of *theoconomy* is inferred by reference to: (a) the ethical principles of behaviour that are considered in Adam Smith's *classical exchange model* as rather growth inducing than otherwise; (b) the virtues of conduct that are required for prosperity and wealth; (c) the basis of moral judgement to be virtuous and prosperous; and (d) the final causes or recompense of being virtuous and being a person of reason and of great sensibility. In an attempt to avoiding falling prey to the fallacy of analysis due to an *a priori* or preconceived judgement, I elected to examine the ethical and moral sentiments of Adam Smith's *classical exchange model* by means of extensive referencing of those salient aspects that fall within the scope and aim of this thesis. The soundness of this approach is founded upon the following:

- The need for a broad, yet detailed account of Adam Smith's moral and ethical sentiments to fully and comprehensively contextualize the moral sentiments that constitute the teleological foundation. Extensive referencing is required for future reference and examination of the relevant ethical and moral principles of behaviour for the new ethical paradigm as evaluated in this thesis.
- The principle of inclusiveness that recognizes the diversity and complexity of the moral and ethical sentiments underlying Adam Smith's *classical exchange model*.
- Contextualizing and demonstrating the teleological strength of the underlying moral and ethical principles.

CHAPTER 2: EPISTEMOLOGICAL FOUNDATION OF THEOECONOMY

2.1 EPISTEMOLOGICAL ARGUMENT

Chapter 1 set out the research proposal, including the hypothesis and research questions. Underlying the hypothesis are several epistemological concepts that jointly constitute the nucleus of the thesis. This chapter identifies these epistemological concepts, their respective theoretical contexts and their meaning as used in the thesis. Furthermore, I articulate the premises and rules of inference used in the thesis. The chapter concludes with a brief outline of how the different epistemological concepts are employed in the overarching theoretical argument. In an effort to contextualize the underlying concepts, I deem it necessary at this point to outline the epistemological argument briefly. This thesis introduces and evaluates *theoconomy* as a new ethical paradigm for discernible growth. The epistemological argument that underlies the method, scope and limits of *theoconomy* is that theocratic-ethical principles and virtues ('theo') can reshape and guide individual economic behaviour and preferences ('economy') if a multicultural and diversified society embrace them and commit to them. This can result in discernible growth that benefits society, inspires peace and protects the earth. As clearly articulated in Chapter 1, *theoconomy* is presented as a new ethical paradigm that holds the promise of a new model that could effectively address the anomalies that persist in the economic discourse due to the inadequacy of the neo-liberalist economic model of the secular age. The crises of the secular age, as clearly articulated by the Parliament of the World's Religions, have emerged over the last two centuries because of the repeated failure of the neo-liberalist paradigm to make anomalies conform to a standard of equity and social justice. The rule of inference in this thesis is therefore that the neo-liberalism that has evolved as the epistemological paradigm since the Period of Enlightenment, followed by the emergence of the doctrine of positivism and value-free economies, ultimately manifesting in consumerism, has caused various ethical and moral deficiencies in the current economic discourse. The ethical and moral deficiencies of the modern economic discourse as articulated in Chapter 7 are:

- The demise of a teleological and ethical foundation
- Unconstrained self-interested behaviour
- Existential understanding of wellbeing and happiness
- Lack of social cooperativeness
- Institutionalization of wellbeing and happiness

These ethical and moral deficiencies have evolved overtime because the ethical and moral foundation of the economic household have been painstakingly eliminated and expunged from the economic discourse. The consequence is that the economy and human behaviour and preferences became fundamentally driven by unfettered self-interest that is free from ethical and moral considerations. This all started with the Period of Enlightenment, followed by the advancement of the doctrine of positivism and the emergence of consumer sovereignty which subjected economies to the full control of consumer preferences. This has been further influenced by a humanist and rational outlook free from metaphysical considerations. These anomalies are examined in great detail in Chapter 6. Suffice it to say here that all these developments resulted in the demise of the teleological and ethical foundations of the economic household.

Contemporary economics is therefore a long way from the ethical and economic thinking that underlies Adam Smith's market model, which is the preferred system of ordering and sustaining a large number of societies in the world, at least the western world. The banishment of metaphysical aspects, the lack of a meaningful discussion of eschatology and the narrowing of the focus of economics and the economy in general, have hindered the capacity of economics to engage with the really big policy questions, "those that touch our deepest hopes and sense of justice" (Oslington, 2013:6). As Paul Fiddes (cited by Oslington, 2013:6) puts it: "There is hopelessness of a future that is an inexorable extension of the present." Oslington (2013:6) observes that Adam Smith'

could have engaged with these issues because his system had an end that was not just an extension of the present but an imaginative space in which to re-conceive present possibilities. This was lost with the demise of the teleological and ethical foundation of the market economy.

As Viner asserts (1972:81-82), "Adam Smith's system of thought, including his economics, is not intelligible if one disregards the role assigned to the teleological elements." However, this is indeed what happened, with the result that the modern secular model of neo-liberalism has become deficient.

This, however, can be turned around by affirming the classical values and virtues of Adam Smith's ethics. Chapter 8 offers a detailed exposé of the postsecular paradigm that has been emerging since the 1930s. This emerging paradigm offers new opportunities to re-embed economics in its correct and proper ethical framework. In light of the overall tenets of the postsecular age and within the context of globalization and the advancement of a plurality of ideas and worldviews, Küng (1998:91–102) is correct in advancing the view that the economy of the 21st century needs a global ethic that is responsive to globalization as it unfolds. This global ethic, according to Küng (1998:91–102), ought to be rooted in the shared universal ethic and common principles that are

shared by the leading religions of the world. The postsecular paradigm offers a unique opportunity to return to first principles and the classical principles and virtues that constituted the classical precepts of the market economy as conceptualized by Adam Smith as the founder of capitalism. The epistemological argument in this thesis is therefore that the classical principles and virtues of Adam Smith's ethics could serve as the foundation of a global ethic for a global economy that is emerging in the postsecular age. With this in mind, the next section identifies the underlying epistemological concepts, theories and meanings of concepts.

2.2 EPISTEMOLOGICAL CONCEPTS

Taking into consideration the premise and rule of inference as briefly outlined above, the conceptual foundation of *theoconomy* rests on the following three concepts:

- Firstly, *theoconomy* offers a viable model to address the anomalies or crises in the current economic discourse. As such, *theoconomy* is a new paradigm that aims to shape and guide economic behaviour and preferences. This model is different from the traditional epistemological paradigm of Neo-Liberalism of the secular age.
- Secondly, *theoconomy* offers a new ethical discourse and moral criteria as a basis for the moral judgement of economic behaviour and the preferences of individual persons and society at large. The ethical discourse and moral criteria are founded upon the ethical and moral precepts of Adam Smith's *classical exchange model*.
- Finally, once *theoconomy* is fully manifested in the economic household, it would result in economic growth that is more discerning in scope and method. As such, the economic household would pursue economic choices that edify society, inspire peace and respect earth. The term "discernible growth" describes this growth as opposed to the concept of "sustainable growth" – the difference becomes clearer as the discussion progresses.

The above concepts, paradigms, ethics and discernible economic growth support the overall premise and rules of inference as articulated in the central theoretical argument of this thesis, namely:

Theoconomy can set a new ethical paradigm for the economic prosperity by transforming the economic behaviour and preferences of individual persons and ultimately the society at large.

This chapter offers the justification and rationale for the use of the epistemological concepts that constitute the epistemological foundation of *theoconomy*. The chapter offers a brief theoretical analysis of the three concepts outlined above and indicates my preference for the meaning as used in this thesis. This is done in the following way:

- Firstly, I give a brief analysis of the scientific theory of paradigms and paradigm shifts.
- Secondly, the epistemological meaning of ethics as a concept is described and the main ethical theories are briefly analysed.
- Thirdly, discernible economic growth, as the preferred term to accentuate and articulate economic growth that is socially more beneficial, peace fostering and earth-friendly, is defined.
- Finally, I articulate the epistemological meaning of *theoconomy* and set out the rules of inference employed to evaluate *theoconomy* as a new ethical paradigm.

In addition to clarifying the meaning of concepts preferred in the thesis, the analysis would also serve a different function of setting criteria for evaluating the application and operationalization of the three concepts that define the epistemological foundation of *theoconomy*. Complimentary to the above, I provide an explanation of the term “*classical exchange model*” that is used in this thesis to articulate and describe the market model of Adam Smith, also referred to as “*capitalism*”. The chapter sets out the rules of inference or steps in reasoning, moving from the premises of the thesis to the conclusions contained in Chapter 8.

2.3 CONCEPT OF PARADIGM

The concept of paradigms is a relatively recent concept devised by Thomas S. Kuhn in the 1960s. In order to understand Kuhn’s concept of paradigms and paradigm shifts, their nature and influence, one has to comprehend in the first instance, that nature is in flux (Kuhn, 2012:xxvii). Human understanding and experience of the world continue to change and evolve. People may receive very similar stimuli, but they cannot see stimuli. Therefore, our knowledge of stimuli is highly theoretical and abstract (Kuhn, 2012:191). As different stimuli can produce the same sensations and similar stimuli can produce different sensations, Kuhn (2012:192) argues that we cannot suppose that the sensations of any two persons are the same. As the world is “populated in the first instance not by stimuli” wrote Kuhn in his seminal work *The structures of scientific revolution*, “but by objects of sensations, these need not be the same individual to individual or group to group” (Kuhn, 2012:192). “To the extent, of course, that individuals belong to the same group and thus share education, language, experience and culture, we have good reason to suppose that their sensations are the same” (Kuhn, 2012:192). Kuhn (2012:192–197) therefore posits that we as human beings learn to see the same things through our neural processing faculty. We “learn by being shown examples of situations that predecessors in the group have already learned to see as like each other and different from other sorts of situations” (Kuhn, 2012:192–197). From these exemplars we seek criteria and laws to give structure and meaning to the situations and circumstances in which we find ourselves from moment to moment. It is, however, only after experiences have been thus determined that the search for an operational

definition or a pure observation language can begin (Kuhn, 2012:128). It is in this process that we operationalize examples and define their nature and influences. There is therefore no hypothetical “fixed” vision (Kuhn, 2012:128), “because neither scientist nor layman learn to see the world piecemeal or item by item. Both scientist and layman sort out whole areas together from the flux of experiences” (Kuhn, 2012:128). These “flux of experiences” are, according to Kuhn (2012:128), determined by paradigms.

For instance, “looking at a pendulum and a swinging stone, a scientist could have an experience of a swinging stone that is less elementary because the scientist looks through a different paradigm, one which makes the swinging stone something else” (Kuhn, 2012:128). According to Kuhn (2012:128), scientists or philosophers who endeavour to establish the measurements or retinal imprints of the pendulum must already be able to recognize it as a pendulum when they see it. If they saw something different or conceptualized a “constrained fall,” the question could not even be asked. “And if he saw a pendulum” wrote Kuhn (2012:128), “but saw it in the way he saw a tuning fork or an oscillating balance, his question could not be answered. At least it could not be answered in the same way, because it would not be the same question” (Kuhn, 2012:129). In each case, the scientist approaches these comparisons or measurements with a different paradigm. That is why, argues Kuhn (2012:134), “the puzzles of normal science are so challenging and also why measurements undertaken without a paradigm so seldom lead to any conclusions at all.” Paradigm as a scientific concept is therefore central to the formulation of theories of truth, the mode of solution, the identification of anomalies and the establishment of shared rules, standard and criteria. It is from an established paradigm that we learn to discern, as each paradigm is a construct or model of how nature is viewed and experienced and how we ought to respond. In this sense, a paradigm is a shared example or exemplars and “in the absence of such exemplars, the laws and theories have little empirical content” (Kuhn, 2012:187). It is through these examples that “we learn from problems to see situations as like each other, as subjects for the application of the same scientific law or law-sketch” (Kuhn, 2012:189).

Would this imply that everything is tentative, relative and subjective? Kuhn argues (2012:189) that the tacit knowledge and intuition that are deduced from paradigms as exemplars, are not individual, and are therefore tentative, relative and subjective. Knowledge and intuition are “tested and shared possessions of the members of a successful group” (Kuhn, 2012:189). Kuhn (2012:189) therefore posits: “science does not rest on unanalysable individual intuitions, but rather on logic and law.” Intuition, argues Kuhn, “is gained by a novice through training as part of his preparation for group membership.” This could also be interpreted as a child learning from his or her parents, who in turn acquire the intuition and tacit knowledge from the society to which they belong. Furthermore, Kuhn also argues that in principle, intuition is not unanalysable. Based on the above understanding, let us now proceed to examine the constituent elements of a paradigm

as this would greatly assist us in evaluating the correctness and suitability of my application of the concept's meaning in my analysis of *theoconomy* as a new paradigm.

2.3.1 VARIOUS APPLICATIONS OF THE TERM PARADIGM

Kuhn (2012:174) uses the term paradigm in two different senses:

- On the one hand, Kuhn uses the term to denote the entire constellation of beliefs, values, techniques and so on, shared by members of a given community.
- On the other hand, the term paradigm implies one element in the constellation, the concrete solution to a puzzle that is employed as a model or example. As such, a paradigm in this context can replace explicit rules as a basis for the solution of the remaining puzzles of normal science.

In the first instance, a paradigm “is what the members of a scientific community share and conversely, a scientific community consist of individuals who share a paradigm” (Kuhn, 2012:175). In this sense a paradigm is intrinsically circular. Paradigms are within this context, “something shared by the members of such a group” (Kuhn, 2012:177). A paradigm therefore in the first instance governs not the subject matter, but rather a group of practitioners (Kuhn, 2012:179). Paradigms, as a constellation of group commitments, refer to the shared theory or set of theories. The term paradigm encapsulates this shared commitment or shared theories. Kuhn (2012:181) in his analysis of the term in this context refers to theories as a disciplinary matrix, because he remains of the view that the term “theory in the philosophy of science connotes a structure that is more limited.” The term “disciplinary matrix” is used as it connotes the various “disciplines” that are the common possession of practitioners of a particular discipline. Kuhn also prefers the term “matrix” because it is composed of ordered elements of various sorts, each requiring further specification. According to Kuhn (2012:182) “paradigms, part paradigms or paradigmatic, are therefore constituent of the disciplinary matrix and as such they form a whole and function together.” However, in this context, they should “no longer to be discussed as though they were all of a piece” (Kuhn, 2012:182).

In order to understand the nature, scope and limits of the term paradigm, we ought to reflect briefly on the main components of a disciplinary matrix, each implying or denoting the term and serving as an example of the term “paradigm.”

Firstly, one sort of component that Kuhn (2012:182) identifies is what he labels “symbolic generalizations.” A typical example would be the notion that “action equal reaction.” According to Kuhn, “if it were not for the general expressions like these, there would be no points at which group members could attach the powerful techniques of logical and mathematical manipulation in their puzzle solving enterprise” (Kuhn, 2012:182). These generalizations look like laws of

nature. Accordingly, “the power of science seems quite generally to increase with the number of symbolic generalizations that practitioners have at their disposal” (Kuhn, 2012:182).

A second component of the disciplinary matrix also discussed under such rubrics as “metaphysical paradigms” is shared commitments or beliefs. According to Kuhn (2012:183), such shared commitments are beliefs in particular models. Among other things, “these shared commitments supply the group with preferred or permissible analogies and metaphors” (Kuhn, 2012:183). Practitioners use these shared commitments to determine “what will be accepted as an explanation and as a puzzle solution. Conversely, they assist in the determination of the roster of unsolved puzzles and in the valuation of the importance of each” (Kuhn, 2012:183).

Kuhn (2012:184) describes a third component in the disciplinary matrix as values (2012:184). Usually, values are more widely shared among different communities than either symbolic generalizations or models (Kuhn, 2012:184). “Though they function at all times” Kuhn (2012:184) writes, “their particular importance emerges when the members of a particular community must identify crises or, later choose between incompatible ways of practising their discipline.” “Values are also extensively employed when predictions ought to be made and in judging whole theories.” As such, values are first and foremost used in puzzle formulation and puzzle solutions and ought therefore to be simple, self-consistent plausible and compatible, that is, with other theories currently employed (Kuhn, 2012:184). Finally, in terms of anomalies and with the emergence of brand new theories, shared values rather than shared rules govern individual choice to distribute the risks and assure the long-term success of an enterprise (Kuhn, 2012:186).

The fourth element in the “disciplinary matrix” is exemplars (Kuhn, 2012:186). By this Kuhn means the concrete problem solutions that function as shared exemplars. Accordingly, Kuhn (2012:186) asserts that “more than other sorts of components of the disciplinary matrix, differences between sets of exemplars provide the community fine structure of science” as the specific science evolves different symbolic generalizations that are illustrated by different exemplars. In *theoconomy*, a typical exemplar would be the concept of *habitual sympathy* or what is also termed “*The Impartial Spectator*.” The way in which this concept results in moderating economic behaviour and preference could be considered as a typical symbolic generalization.

Based on the above analysis of the term paradigm by Kuhn, I posit that the application of the term paradigm in this thesis is suitable and justified. The rule of inference adopted in this thesis would show that *theoconomy* is indeed a different model than the traditional epistemological paradigm of neo-liberalism and that *theoconomy* has different symbolic generalizations, communities of adherence, values and exemplars. I now proceed to reflect briefly on the conditions that are a prelude to a paradigm shift and the nature of these fundamental conditions. This is followed by

how the rules of inference of this thesis contextualize and examine these conditions that are a prelude to the introduction of *theoconomy* as a new paradigm.

2.3.2 CONDITIONS THAT FORM A PRELUDE TO A PARADIGM SHIFT

The structure of scientific revolutions as conceptualized by Kuhn suggests that scientific revolutions or paradigm shifts follow patterns that can be described to be as follows: “normal science with a paradigm and a dedication to solving puzzles; followed by serious anomalies, which lead to a crisis and finally, resolution of the crises by a new paradigm” (Kuhn, 2012:xi). In terms of the previously mentioned structure, certain conditions arise as a prelude to a scientific revolution or a paradigm shift. The most fundamental conditions are:

- Changes in world view
- Anomalies that arise
- Incompatible modes of community life
- Incompatibility of fundamentals

In the brief analysis to follow, I articulate the various conditions indicating a paradigm shift and show how this relates to the text.

2.3.2.1 CHANGES IN WORLD VIEW

Historians of science, argues Kuhn (2012:11), may be tempted to exclaim that when paradigms change, the world itself changes with them.

It is indeed true that the scientific community is “transported to another planet where familiar objects are seen in a different light and are joined by unfamiliar ones as well” (Kuhn, 2012:111). Paradigm shifts do cause scientists to see the world of their research engagements differently, but because of the incommensurability of successive paradigms, the new ideas and assertions cannot be strictly compared to the old ones. “Even if the same words are in use, their very meaning has changed” (Kuhn, 2012:xi). “This in turn led to the idea that a new theory was not chosen to replace an old one, because it was true, but more because of a change in worldview” (Kuhn, 2012:xi). This nature of successive paradigms is articulated in Chapter 8. In this chapter, I examine the emergence of the postsecular paradigm. The worldview, shared rules, standards and criteria as they emerged during the postsecular period, are vastly different and indeed incommensurable with the conditions that prevailed in the secular period. The paradigm shift is therefore a clear and discernible change in the meaning of life, which paved the way for the return of the metaphysical aspects and considerations that have been expunged from the human discourse during the secular period. The postsecular period may indeed be considered a different world if compared with the conditions, standard and rules of the secular period. The same is true

for *theoconomy* as a new paradigm. In Chapter 7 and 8, I examine the fundamental anomalies of the secular period and the fundamental changes in worldview, shared values, standard and criteria of *theoconomy* in relation to the secular period and neo-liberalism.

2.3.2.2 ANOMALIES THAT AROSE

When nature violates a paradigm, the “induced expectations” that govern normal science change and anomalies arise. A process then follows with a more or less extended exploration of the area of anomaly and it closes only when the paradigm theory has been adjusted so that the anomalies have become the expected (Kuhn, 2012:53), “or scientist have learned to see nature in a different way” (Kuhn, 2012:53) and a new paradigm emerges. The perception that something had gone wrong is a prelude to discovery that brings about a change in the prevailing paradigm or the conceptualization and manifestation of a new paradigm. Anomalies as such therefore appear only against the background provided by a paradigm, being the epistemological tradition of the existing paradigm or that of a new paradigm. Consequent changes of paradigm categories and procedures are often accompanied by resistance (Kuhn, 2012:62). By ensuring that the traditional paradigm will not be easily surrendered, resistance guarantees that scientists will not be distracted easily and that the anomalies that lead to a paradigm shift will penetrate existing knowledge to the core. The failure of existing rules and induced expectations are therefore the prelude to search for a new one (Kuhn, 2012:68).

The significance of the crisis resulting from the persistent manifestation of anomalies is therefore an indication that an “occasion for retooling has arrived” (Kuhn, 2012:76). During the paradigm period, a myriad of competing theories of truth often emerge. By proliferating versions of the paradigm, the anomalies and the crises emanating from the process loosens the rules of normal puzzle solving in ways that ultimately permit a new paradigm to emerge. In this thesis, the same rule of inference is followed in analysing the ethical and moral deficiencies of the neo-liberalist paradigm. The anomalies that persist are articulated to evaluate the suitability of *theoconomy* as an alternative model that could meet the viable expectations of the postsecular paradigm.

2.3.2.3 INCOMPATIBLE MODES OF COMMUNITY LIFE

A choice between competing paradigms “proves to be a choice between incompatible modes of community life” (Kuhn, 2012:94). For this reason, the ethical and moral precepts of Adam Smith’s *Theory of Moral Sentiments* are extensively articulated and its ethical and moral precepts are clearly examined. These ethical and moral precepts stand in total contrast to the ethical and moral deficiencies of the secular period and the neo-liberalist paradigm.

2.3.2.4 INCOMPATIBILITY OF FUNDAMENTALS

According to Kuhn (2012:95), there are “no intrinsic reason why the assimilation of either a new sort of phenomenon or a new scientific theory must demand the rejection of an older paradigm.” “In principle a new phenomenon [paradigm] might emerge,” wrote Kuhn (2012:95), “without reflecting distinctively upon any part of past scientific practice.” By the same token, a new paradigm or theory does not necessarily have to conflict with any of its predecessors. A new theory or paradigm might simply be a “higher level theory” than those known before, one that links together a whole group of lower level theories without substantially changing any (Kuhn, 2013:95). Accordingly, a “new sort of phenomenon would simply disclose order in an aspect of nature where none had been seen before” (Kuhn, 2012:96). In the evolution of science, new knowledge may simply replace ignorance rather than replace knowledge of another and incompatible sort (Kuhn, 2012:96).

However, if a new paradigm or theory is relied upon to resolve anomalies in the relationship of an existing theory or paradigm to nature, the successful new theory or paradigm must somewhere permit predictions that are different from those derived from its predecessor (Kuhn, 2012:97-98). This difference would imply that the two theories or paradigms are logically incompatible and in the process of being assimilated, the traditional epistemological paradigm must be displaced (Kuhn, 2012:98). Kuhn uses the example of the theory of energy conservation to explain this process of assimilation. According to Kuhn (2012:98), the theory of energy conservation “which today seems a logical superstructure that relates to nature only through independently established theories, did not develop historically without paradigm destruction.” Instead, Kuhn (2012:98) argues that “it emerged from a crisis in which the essential ingredient was incompatible.” Kuhn (2012:98) therefore concludes that “it is hard to see how new theories could arise without the destructive changes in beliefs about nature.”

Based on these deductions, the moral and ethical efficacy of the secular period and neo-liberalist paradigm and then more pertinently the absence of any metaphysical considerations are articulated in this thesis. The compatibility of the two successive paradigms of neo-liberalism and *theoconomy* is examined to establish whether these two models are reconcilable. As successive paradigms tell us different things about the population of the universe and that population’s behaviour (Kuhn, 2012:103), considerable attention is given to these aspects in the examination of the ethical, moral metaphysical consideration of Adam Smith’s *Theory of Moral Sentiments* that is the foundational essence of *theoconomy* as a new global ethical paradigm.

2.3.3 THE NATURE OF SUCCESSIVE PARADIGMS

This penultimate section reflects on the nature of successive paradigms. Paradigms tell scientists “about the entities that nature contain and does not contain and about the way in which entities

behave” (Kuhn, 2012:109). This information provides a map of which the details are elucidated by mature scientific research. Paradigms also provide scientist with some of the “directions essential for mapmaking” (Kuhn, 2012:109). A paradigm provides the scientist with a theory, methods and standards, usually in an inextricable mixture, to attain the expectations and promise of expectations unique to the paradigm. Successive paradigms, generally speaking, are necessarily different and irreconcilable (Küng, 2012:103). As successive paradigms tell us different things about the population and their behaviour, the actual map and map-making methodology are essentially different, incompatible and actually incomprehensible. As a result, argues Kuhn (2012:103), any new paradigm often necessitates a redefinition of corresponding science. In some instances where a new paradigm adopts some of the techniques, methodologies and standards of the preceding paradigm, these tools are used in a different way with different *a priori* expectations. The nature of successive paradigms will become clearer from the evaluation of *theoconomy* as a new paradigm and is articulated in examining the ethical and moral deficiencies of neo-liberalism as the prevailing epistemological paradigm and the theories that gave rise to this paradigm.

2.3.4 LEGITIMACY OF BOTH PROBLEMS AND SOLUTIONS

When paradigms change, there are usually significant shifts in the criteria that determine the legitimacy of problems and of the proposed solutions (Kuhn, 2012:109).

Since no paradigm ever resolves all the problems it defines and since no two paradigms leave all the same problems unsolved, paradigm debates always involve the questions which problem is more significant to be solved (Kuhn, 2012:109).

This is most obvious, because the maps of successive paradigms differ. This is often the cause of anomalies that arise as the expectations of a paradigm may be contrary to the nature of things. For this reason, a paradigm may solve fundamental questions or challenges, but neglect or create other more fundamental issues. In the evaluation of *theoconomy*, I make a concerted effort to contextualize the historical events leading up to the formulation of Adam Smith’s own ethical and economic thoughts and the events that caused the demise of Adam Smith’s teleological considerations. This rule of inference is deliberately followed to contextualize the paradigm shifts as they occurred and the legitimacy of both the problems and proposed solutions at the time. I further conclude the evaluation with a broad outline of the ethical and moral principles of the new proposed paradigm and the way *theoconomy* would address the prevailing anomalies and establish a new road map for discernible growth. From this analysis, it is clear what problems are most significant and how *theoconomy* could resolve them.

2.4 ETHICAL SYSTEMS

2.4.1 CONCEPTS OF ETHICAL THEORY

This section briefly examines the second epistemological element of *theoconomy*, namely ethics. The brief analysis articulates the principle elements of ethical theory and the various systems. These concepts are used throughout the text and therefore the theoretical meaning of each concept is important. At the end of this section, I indicate the preferred ethical system that is further used in the thesis to evaluate the ethical foundation of *theoconomy*. I first reflect on the epistemological structure of ethics, followed by a brief outline of the various ethical systems.

As no paradigm can develop in a void, it must flow from and be situated in a certain ethos or fundamental values, be it physical (natural) values, metaphysical, ideological or theology values (Vorster, 2007:vii). The neo-liberalist model as it emerged all over the world did not develop in a void. Likewise, Adam Smith's ethics and now *theoconomy* as a new paradigm did not develop in a void. Each dispensation and each individual has a certain angle of approach or an attitude towards life in all its manifestations. They give special importance to certain things or they value certain ethical principles and norms. The alternative would be antinominalist, holding that there are no binding moral laws and that everything is relative (Geisler, 1989:22).

The angle of approach or attitude, according to Vorster (2007:viii), "is a human way of thinking and behaving." Vorster (2007:vii) defines human attitude, its scope and influence in the following way:

On the one hand, attitude determines the course of thinking, of formulating principles and norms, of projecting ideals and hopes. It determines the way of living, of forming relations, of engaging in science and culture, of doing economics and politics and of fulfilling a daily task. On the other hand, attitude is determined by a life – and worldview, with its roots deep in a certain religious conviction, philosophy or ideology.

Vorster (2007:viii) continues to emphasize that "our deepest beliefs determine our attitude to life and our attitude shape our way of life and our ideals for life." One can therefore assert that human economic behaviour, preferences, people's judgement of what is right, moral, ethical, good, nice, virtuous, pure, beneficial and nourishing, are determined by certain norms of moral conduct that flow from an ethical theory, which in turn is determined by a certain worldview (Vorster, 2007:3).

Ethical theories are central to this thesis, because "broadly speaking one can argue that ethics studies the conduct of humans which include their attitude and the consequences of their act" (Vorster, 2007:2). As such, ethics prescribes norms to build a certain ethos in a community. Within this context, ethics "focus[es] on what humans do and should do" (Van Wyk, 1986:2-3). Vorster (2007:2) therefore asserts that ethics is both descriptive and prescriptive. "In its prescriptive

function” Vorster (2007:2) writes, “ethics can never be neutral, because underlying the moral prescriptions will always be a philosophical, religious or ideological paradigm.” In terms of Vorster’s (2007:2) definition, ethics is therefore a “scientific discipline that examines people’s attitudes as their way of thinking and their behaviour from certain religious or ideological perspective and then propose norms for human morality.”

Like so many scientific endeavours, there are various schools of thought on ethics, systems and practice. Each of these ethical systems proposes a definition of a morally good act (Geisler, 1989:15). In terms of the epistemological structure of ethics, they articulate different worldviews and have strong opinions about the relevance of ethical norms and the basis of determining and evaluation of these norms.

The subsequent outline of the different ethical systems is based on the work of Geisler, *Christian Ethics: Contemporary Issues and Options* (1989:17-116). The outline is followed by a reflection on the premises of this thesis with regard to human morality and the basis of morality. Thereafter, I set out the ethical system that forms the basis of the overall spiritual premises of this thesis. According to Geisler (1989:17), ethical systems “can be broadly divided into two categories, deontological (duty centred) and teleological (end-centred).” The latter is sometimes called consequentialism, since the value of an act is determined by the consequence. Utilitarianism is an example of a teleological ethic (Geisler, 1989:17). The nature of a deontological ethic can be seen more clearly in contrast with a teleological view (Geisler, 1989:17). Essentially, in terms of deontological ethics, rules determine the results and basis of an act. Rules are followed regardless of the results and results are always considered within the rules. Teleological ethics, on the other hand, considers the results as being of absolute importance. In the teleological ethic, results determine the rules and form the basis of an act. In this context, rules are good because of results, and results are sometimes used to break rules (Geisler, 1989:18). In no way should it be construed that because results do not determine what is right, it is not right to consider results (Geisler, 1989:18). Of course, Geisler (1989:18) argues that the “results of actions are important [but] there is an important difference between the deontological use of results and a teleological use of them.” Within the deontological ethos, results are calculated within rules or norms. That is, no anticipated results as such can be used as a justification for breaking any established moral law. Utilitarians, on the other hand, use anticipated results to break moral rules. In fact, Geisler (1998:18) writes, “they use results to make the rules.” However, Vorster (2007:12) asserts that consequentialism, “despite its deficiencies may be used as a suitable theory in case of moral conflicts. Sometime the ethicist has to choose not only between right or wrong, but between ‘bad’ and ‘worse’ on account of the consequences an act may have.” Geisler (1989:18) sees it this way: “Existing rules can be broken if the expected results call for it.... in brief, the end may justify the use of good means, but it does not justify the use of any means, certainly not evil ones.”

Following from the brief analysis provided above, it may be said that in terms of teleological ethics, “actions are right or wrong according to their consequences rather than any intrinsic features they may have, such as truthfulness or fidelity” (Vorster, 2007:11). However, it is of fundamental importance that teleological ethics cannot simply be interpreted that the “end justifies the means” or that “we ought to promote the greatest good for the greatest number” (Vorster, 2007:11). Teleological ethics is, according to Vorster (2007:11), “more sophisticated.” Vorster (2007:11) sees it this way:

Within this theory, a distinction can be drawn between hedonistic and pluralistic consequentialism. In the earlier hedonistic school, usefulness is conceived entirely in terms of happiness or pleasure. Happiness and pleasure are the sole forms of intrinsic value.

Vorster (2007:11) acknowledges the later development of “pluralistic consequentialism” that considers other values besides happiness and pleasure as having intrinsic worth, such as friendship, knowledge, health and beauty. However, applying these values, individual preferences ought not to determine utility, but instead agent neutral values ought to determine utility (Vorster, 2007:11). This averment is fundamental and goes to the core of the overall tenet of *theoconomy* and the premise for evaluating Adam Smith’s *Theory of Moral Sentiments*, which is the underlying system of *theoconomy*. I revert back to this nuance at a later stage. Another way of looking at the differences between deontological and teleological ethics that is similar to the analysis of Geisler is Vorster’s averment that, contrary to the consequential theory, the deontological theory implies that some actions are right or wrong not for their consequences, but because of their adherences to fixed principles. Ethical decisions, in terms of this analytical difference, according to Vorster (2007:11) “must flow from a fixed set of obligations or principles. Acts are then regarded as morally right or wrong on the ground of prescribed principles.”

With this brief analysis in mind, I now reflect on the various views on ethics, or rather, the various systems. This brings us closer to discerning between the deontological and teleological theses. According to Geisler’s (1989:18) analysis, there are only six major ethical systems, each designated by its answer to the question: “Are there any objective ethical laws?” Regrettably, I have to be brief in the analysis. However, the synopsis would indicate each system’s “angle of approach” to the question of whether there are any objective ethical laws or if moral laws are purely subjective, but actually binding on humans in general (Geisler, 1989:18).

2.4.2 VARIOUS VIEWS OF ETHICS

According to Geisler (1989:18-21), the six major ethical systems approach the two fundamental questions in the following ways:

- Antinomianism says there are no moral laws. As such, proponents of antinomianism deny all universal and general moral laws.
- Situationism affirms that there is one absolute law. Situationism is considered to be one of four views that claim to be forms of absolutism. Of these, situationism believes in only one absolute, while the others believe in two or more absolutes.
- Generalism claims that there are some general laws, but no absolute ones. Generalism therefore denies all universal moral laws, but holds to general ones.
- Unqualified absolutism believes in many absolute laws that never conflict. Unqualified absolutism contends that absolute moral principles never conflict.
- Conflicting absolutism contends that there are many absolute norms that sometimes conflict and we are obligated to do the lesser evil. As such, we are responsible to do the lesser evil, but we will be guilty for whichever one may break.
- Graded absolutism holds that many absolute laws sometimes conflict and we are responsible for obeying the higher law. Consequently, we are not guilty for not following the lesser commandments in conflict with it.

A detailed examination of *theoconomy* in terms of the six schools is not the main aim of this thesis. Of most importance is the fundamental difference between the two fundamental views of ethics, namely teleological ethics and deontological ethics. For the purpose of setting out the premises of this thesis and to establish the validity of the rules of inference, I only deem it necessary to indicate at this point that the spiritual ethos of this thesis is founded upon deontological ethics. Accordingly, the tenets of this system are applied in evaluating the ethics of Adam Smith's system of thought, which is the foundational essence of *theoconomy*. With regard to the concept of principles and norms, where relevant to the thesis, the correct interpretation would be that the two concepts ought to be determined in terms of objectivity and not purely subjectively and ought not to be determined purely by consequential results, but rather by fixed set of obligations or principles. The use of the concepts in this thesis would be in accordance with these two criteria.

2.4.3 FOUNDATION OF MORAL LAW

As the spiritual ethos of this thesis relies on deontological ethics, it is important to state that this thesis is fundamentally rooted in the three tenets of deontological ethics, namely:

- there is a moral law giver;
- God's moral character does not change; and
- God's moral character and law are revealed through natural law and scripture.

These three tenets are employed to evaluate the ethical and moral sentiments of *theoconomy*. The epistemology of *theoconomy*, as a new concept, is therefore informed by the principles and

norms that are rooted in an ultimate reality, which different traditions call by various names (the Absolute, Allah, Brahman, Dharmakaya, God, Great Spirit, the One, Wageguru (Parliament of the World's Religions, 1999:12).

The reference to theocratic ethical principles and virtue in the principle research question ought to be contextualized within this context. The premise and rule of inference of this thesis therefore work from the understanding that the general principles, admirable traits of character, basis of judgement and final causes as articulated in Adam Smith's *Theory of Moral Sentiments*, upon which *theoconomy* is founded, are indeed in nature and scope deontological rather than teleological. This deduction is more fully articulated in the section that evaluates the ethics of Adam Smith's *classical exchange model*. In the analysis, the following criteria are employed:

- Natural law and the Power of Sympathy ('conscience') are antecedent to the formation of human morality.
- Habitual sympathy is a categorical imperative.
- The reasonable person is individualistic, but not solipsistic.
- There is an idea of the exact rules of perfect propriety in every person's mind.
- In executing a person's moral and ethical duty, the person subordinates a person's private interest to the public good.
- Intrinsic good actions are always good and of themselves.
- Trust in the Providence of God.

The above criteria is suggestive of the essential ethical views of *theoconomy*, which is rather duty-centred than end-centred. The next section proceeds to reflect on the third and final epistemological element of *theoconomy*, namely *discernible growth*.

2.5 DISCERNIBLE GROWTH

The third epistemological element of *theoconomy* is *discernible growth*. *Discernible growth* describes the ultimate purpose of *theoconomy* as articulated in this thesis. As the central theoretical argument of this thesis is that *theoconomy* can set a new ethical paradigm by transforming the economic behaviour and preferences of individuals and ultimately the society at large, the anticipated outcome is that the economic behaviour and preferences of individuals and ultimately society at large will become more discerning in scope and nature.

The currently prevailing behaviour and the way individuals express their economic preferences are why the world is confronted with several critical issues as articulated by the Parliament of the World's Religions. These critical issues of our time includes the following: unrelenting demand on the earth's limited resources, growing divide between rich and poor, aggravated injustice, lack of spiritual direction and disintegrating communities (Parliament of the World's Religions, 1999:8).

These problems are caused among others by the lack of ethics and deficiencies in the way we command over the economy today. We therefore need a new response to the deficiencies in the way we think about the economy today (Lightbown & Sills, 2014:vii). It is therefore the contention of this thesis that a new ethical paradigm ought to be pursued to deepen the spiritual sphere of economics. It should inculcate ethical principles of moral judgement and virtues of conduct relevant to our age and these ought to serve as directive principles for our economic conduct (i.e. behaviour and preferences). The primary focus of this process is on the change in human attitudes and behaviour through the inculcation of ethical principles of moral judgement and virtues of conduct. It should encompass the entire economic discourse and all constituent parts of the economy. The entire economic discourse requires a deepening process to advance the efficacy of the economy in resolving the present-day deficiencies and challenges. Secondly, the economy ought to be enlarged to address economic inefficiencies and challenges by pursuing a discernible growth model. What is needed is a growth strategy that is more discerning and therefore judicious in addressing the critical issues of our age such as unemployment, lack of employable and productive skills, unequal distribution of opportunities and income, and the unrelenting demand of the earth's resources and corruption, to mention but a few.

The superficial ethics that underlie the present-day economic behaviour and preferences ought to be reshaped and guided by shared theocratic ethical principles and virtues. In the process, individual economic behaviour and preferences would become more discerning in terms of the underlying ethos that is more meaningful and conducive to human happiness, prosperity and salvation. These aspects are examined and illustrated with practical application of the underlying tenets of the thesis. The term *discernible growth* is therefore deemed a justifiable narrative to contextualize and affirm the underlying principles of *theoconomy* as evaluated in this thesis.

2.6 THE CLASSICAL EXCHANGE MODEL

In this thesis the *classical exchange model* denotes the ethical and economic thoughts of Adam Smith. This term is different from the generally accepted term used in association with Adam Smith, namely *capitalism*. I therefore deem it necessary to set out my reasons for using a new term. Hermeneutically, Adam Smith's entire corpus of work ought to be considered as coming to a fair and intelligent judgement of his ethics and economic thoughts, more notably his seminal works, *Lectures on Jurisprudence*, *Lectures on Rhetoric and Belles-Lettres*, *The Theory Of Moral Sentiments* and *An Inquiry into The Nature and Causes of The Wealth Of Nations*. Over the centuries, various labels or terminologies have been devised and attached to his thoughts. The term that stuck in the cobweb of economists and the general public and that is the most associated with Adam Smith's work is the term *capitalism*. This term has become loaded in some circles, but in other circles, it is very narrowly defined. Whichever way, the term *capitalism* is loaded in favour of the modern concepts of free market, neo-liberalism and self-interest gain. These associations

have been greatly influenced by the European and Scottish Enlightenment, the doctrine of positivism and the philosophy of value-free economics. Because of these influences, the ethical and moral discourse of Adam Smith has been expunged from the general economic discourse of the secular period. With the advent of the postsecular period from the 1930s onwards, a new emphasis was placed on metaphysical considerations, including ethics and moral values. This gives us the opportunity to re-embed economies in its rightful ethical and moral context. As the emphasis of this thesis is on a change in favour of the classical moral sentiments that underlie prevailing theories, I deem it necessary and conducive not to use the term *capitalism*. Taking into consideration the entire corpus of Adam Smith's work, I have concluded that the underlying theme of his work is his seminal observations and thoughts of an exchange model that would advance, as he called it, opulence. I therefore employ the term *classical exchange model*. I elected this term for three reasons:

- From my analysis, Adam Smith is on the classic side of the dividing line of the economic discourse since the 18th century, leading up to the Old Liberalism and Neo-Liberalism of Milton Friedman.
- Adam Smith, like other classical theoreticians, such as Plato, Aristotle and Thomas Aquinas, did not “put forward any narrow economic view, but saw the economy always embedded in an overall social and ethical context” (Küng, 1998:208). This epistemology has changed fundamentally since the Scottish Enlightenment and the doctrine of positivism.
- Thirdly, Adam Smith founded his ethic and economic theory on the innate human disposition to barter and exchange and all his expositions principally focus on this exchange process.

I prefer to use a different term than the generally accepted “capitalism” to denote the fundamental change in the way we ought to consider Adam Smith's ethics and economic thoughts in a postsecular period.

2.7 RULES OF INFERENCE

I conclude this chapter by setting out the rules of inference. This section outlines the structure of reasoning from the initial premise as set out in Chapter 1, to the conclusions as contained in Chapter 8. In order not to overstate the initial outline as contained in Chapter 1, this section only outlines the steps taken to examine the three underlying epistemological concepts, namely, paradigms, ethics and discernible growth. Chapter 3 examines the nature of the prevailing paradigm prior to the publication of Adam Smith's seminal works, *The Theory of Moral Sentiments* published in 1759 and *An Inquiry into the Nature and Causes of the Wealth of Nations*, published in 1776. In these two-seminal works, Adam Smith examines the moral sentiments of the rational

and sensible person in their pursuit of self-betterment, or as he articulates it “bettering of living conditions” (Smith, 1759:50). *Theory*, as it became known, is an inquiry into the origins of moral approbation and disapproval. In this work he examines how it happened that a person, a creature of self-interest, can form moral judgements in which self-interest seems to be held in abeyance or transmitted to a higher plane (Heilbroner, 1999:47). The epistemological concept of “bettering of living conditions,” became the overarching premise of both *Theory* and his subsequent work *Wealth of Nations* (Smith, 1776:65). In the latter works, he unravelled the “law of the market.” These works essentially focus on the anomalies of the prevailing paradigm of the 18th century economic household, known for its vanity, exploitation and superficial ethics. *Theories* and *Wealth of Nations* essentially explain the mechanism by which the heedless individual of the 18th century household could be kept in line with everybody else. This mechanism devised by Adam Smith provides the paradigm or model according to which society could barter, prosper and better their living conditions. Out of the mêlée of contradictory rationalization of the 18th century economic household, Adam Smith introduced a new paradigm that would change the world – at least the western world until this day.

In the next three chapters, I examine the ethical and moral sentiments that underlie Adam Smith’s paradigm. In Chapter 4, I identify the general principles that he articulated as those principles that caused some societies to prosper and others not. In Chapters 5 and 6, I continue to examine Adam Smith’s ethics and in particular, the admirable traits of virtue, the basis of moral judgement, the source and authority of human conscience and finally, final causes. Chapters 4, 5 and 6 set out Adam Smith’s ethical framework for economic prosperity, or as he puts it, “success in every sort of business” (Smith, 1759:166). At the end of Chapter 6, I evaluate the ethics of Adam Smith in terms of seven *posteriori* criteria based on the thesis of deontological ethics. In Chapter 7, the ethical and moral deficiencies in the current economic discourse are examined. In this chapter, I examine the events that have unfolded since Adam Smith articulated his theory, or in modern terminology, paradigm, which became known as *capitalism*. The premise of this chapter is that the European Enlightenment and more specifically the Scottish Enlightenment, the doctrine of positivism, value-free economics, and finally consumer sovereignty are the main reasons why the classical-ethical precepts of Adam Smith’s paradigm have been expunged from the economic discourse and why the economy is no longer embedded in its correct ethical and moral context. From this analysis, it is clear that these contributing events caused a shift in the economic paradigm from the classical pre-secular period to the modern neo-liberalism, which is devoid of values and metaphysical considerations. Chapter 7 concludes with an outline of the current ethical and moral deficiencies or anomalies that the current neo-liberalist paradigm can no longer contain, nor change to conform to universally acceptable norms of equity and social justice. As the extent and sphere of the negative influences of these anomalies are not contained and effectively conformed, I argue that a new paradigm should be considered.

Chapter 8 articulates the paradigm shift in the economic discourse and the postsecular paradigm since the 1930s. I posit that the postsecular paradigm offers renewed opportunities to retool the economic discourse and to re-embed economics in its proper ethical and moral context. I further argue that with the advancement of globalization, we ought to embed the global economy within a global ethic that can be embraced by a diversified society that is a-dogmatic. This a-dogmatic, shared ethic ought to be enriched with ethical principles and virtues that are founded in the “golden rule of humanity” as the moral minimum. In my endeavour to establish a new paradigm that reaffirms classical virtues and values, I examine and evaluate Adam Smith’s ethics in terms of nine *posteriori* criteria and conditions of the new postsecular paradigm and the conditions to make a global ethic possible. The chapter concludes that the classical ethics and virtues of Adam Smith’s *classical exchange model* could constitute the foundational essence or nucleus of a global ethic for a global economy.

Following closing observations, I offer an outline of a new ethical paradigm. In this outline, I identify 12 different elements to constitute a new global ethic for a postsecular paradigm. In this penultimate section, I give a broad application of the new ethical paradigm and indicate why and how the new paradigm would cause discernible economic growth that is more discerning in scope, methods and instruments.

Let us now start at the beginning and examine the economic events and ethics as they unfolded in the 18th century and unpacks how it influenced Adam Smith’s ethics and economic thoughts at the time.

CHAPTER 3 EVOLUTION OF EXCHANGE ETHICS – A BRIEF JOURNEY THROUGH TIME

3.1 THE BEGINNING

Where more than two people gather, their innate dispositions and attitude towards life and other human beings set the tone of behaviour towards each other. If these two persons wish to trade among themselves, their respective dispositions and attitudes would provide the spirit of ethos within which they bargain, each trying to meet their own expectations. Therefore, from the beginning of time, people's dispositions and attitudes set the tone from which they "truck, barter and trade" or "better[ing] their conditions of living." The tone of attitude or the *exchange ethics* would therefore greatly determine the success and prosperity of the two persons involved.

Considering the main aim and hypothesis of this thesis, a brief journey through time to reflect on the circumstances over the ages and how *exchange ethics* has evolved is pertinent. This examination probes how people's moral conduct and moral judgement have changed across periods of human advancement and during different conditions that prevailed in the economic household.

This chapter briefly reflects on the different ages and the evolution of the conditions that ultimately led to Adam Smith's system of thought. This brief overview also contextualizes the epistemological structure of Adam Smith's ethics and economic thinking. He "gave the world the image itself for which it had been searching" (Heilbroner, 1999:41). As such, the unfolding events, in particular during 17th and 18th century Scotland, provided the backdrop for what could be, with the wisdom of hindsight, construed as one of the most important paradigm shifts in economic theory and the way societies are organized. This chapter therefore provides an important backdrop to Adam Smith's ethics and to how his thesis should be viewed.

From the beginning of time, human beings as socially cooperative creatures have been driven by the desire to find the means and the manner of conduct to increase riches (Heilbroner, 1999:18) and to continually improve their conditions of living. Nature has directed us through the immediate instincts of hunger, thirst, the passion that unites the two sexes, the love of pleasure and the dread of pain, towards these ends (Smith, 1759:78). It is by these immediate instincts that humans from an early state of evolution developed the dispositions or mindset to socialize in a societal context, to be inquisitive and self-centred and to continuously toil and work towards bettering the conditions of living. Because of these innate dispositions, people soon realized that they cannot survive on their own and continually need the help of other human beings. For this reason, humans as socially cooperative beings congregated or flocked together and formed societies. As humans, we have always lived in societies, sometimes of just a few families, sometimes with the females living separately from the males, close enough to mingle on occasion as their biological

instincts inclined them (Kennedy, 2008:41). We know this, wrote Kennedy (2008:41), “because it is what primates do, back along the evolutionary line to the common ancestor. Human life before societies never existed.” According to Kennedy (2008:41), “men and women were born into society, albeit of a few pairs with short lifespans in parlous circumstances and of low population densities in the vast wilderness of the earth’s great continents.”

Accordingly, Kennedy (2008:41) infers that from the early beginnings, humankind congregated in societies with social arrangements, however limited, and with moral and ethical norms of behaviour that conform to at least rudimentary laws of group survival. For instance, humans soon realized that they cannot only act selfishly and greedily in a societal context and that they have to moderate and balance their individual interest, desires, passions and aversions to a standard acceptable to the rest of society. This reality of people’s innate disposition has made the problem of survival in a societal context extraordinarily difficult and complex. The dualistic nature of a human being causes a permanent struggle between a person and other human beings and between society and individuals. This dualistic nature is most evident in humans, as we are both socially cooperative beings on the one hand and self-centred on the other hand.

Even in humans’ very weak and primordial nature, humans seek the cooperation of humans and concurrently, man’s self-centred drive, inquisitiveness and desire to better humans’ own conditions of living, constantly threatened to disrupt people’s societal relationship (Heilbroner, 1999:18).

The result is that a very special relationship evolved over time between persons within society. Through this dual process, a mutual sympathetic relationship between an individual person and society evolved. Through this dual process, minimum standards for the coexistence and the cohesiveness of society evolved, and these determined ethical norms for moral conduct.

“These rudimentary and perhaps very primordial ethical norms for moral conduct prevented any behavioural practices within the society to evolve, that could risk the destruction of society” (Kennedy, 2008:41). This instinct to survive, to preserve and avoid desiccation is fundamental for human existence and has functioned from the beginning of time in a societal context. This urge to live and avoid desiccation is indeed innate to humans. All animals share it, without reason or thought. As Adam Smith (1759:87) observes, no social intercourse can take place among persons who do not generally abstain from injuring one another, adding particularly “if there is any society among robbers and murderers they must at least ... abstain from robbing and murdering each other.” These minimum standards of behaviour (“ethics”) evolved without conscious deliberations or reason, but rather through instinctive conduct and many small practical engagements of trial and error. Over time, some form of mutual trust evolved within a societal context and much later between societies. This provided the foundation for the most rudimentary exchange of goods.

Initially, the exchange of rudimentary goods such as a wooden bow for a piece of meat, and later of more advanced and sophisticated goods and services, was aimed at easing life and guarding against the calamities so that they could survive. With that, the development of language as a form of communicating individual desires, aversions and fear in general, evolved. As humans became more dependent on each other, the interactive human behaviour through chains of interaction, either socially or through the exchange of goods, caused the further evolution of rules of behaviour, development of language and the formulation of jurisprudence – though very rudimentary at first.

Throughout this process of evolution, human ingenuity to better conditions of living have driven humans to acquire the necessities, amenities and amusements of life, not only to survive, but also for ease of life. “It staggers the imagination to think of the endless efforts that individuals have expanded, in hunting down wild animals, the planting of seeds, the first working of surface ores and finding remedies for sickness” (Heilbroner, 1999:18). In the process, humans began to realize that certain behaviours and attitudes allow some to prosper more than others and to acquire a surplus. Likewise, humans realized that some societies survive better and are able to protect themselves better than others. Gradually, these attitudes and behaviour of conduct became acceptable behaviour and the ethical and moral standard of living in some societies. As humans in societal contexts progressed towards agreeing on the minimum standards of *exchange ethics* in particular and ethical and moral behaviour in general, they became less vulnerable to the calamities of life and improved their chances of survival, if only by the smallest of margins. For this reason, humans began to evolve from the rudest level of subsistence and simplicity to sophisticated modes of subsistence and rules to govern their societies. Societies that developed these rudimentary ethical and moral standards of living, and especially those societies who established the rules of organizing their societies and found the remedies of conflict quicker than others, began to progress and discover new modes of subsistence and better ways to order their society.

These two historical occurrences have had a major influence on the advancement of human evolution, both in terms of material prosperity and the evolution of the ethical behaviour of people.

Let us now proceed to examine the influence of these two historical occurrences on the economic advancement of society and then more pertinently on the evolution of the ethical and moral principles of behaviour and conduct of the economic household – *exchange ethics*. For this purpose, I elect to first examine the philosophical construct that Adam Smith labelled the four ages of humankind in reference to the different “modes of subsistence.” As Adam Smith’s analysis

of the four ages of humankind³ has been employed to contextualize the economic advancements of humanity over the ages, my analysis is brief. In Adam Smith's *Just so story* (Kennedy, 2008:65) he explains each stage of human economic advancement and why people moved through the ages towards commerce, or in many cases, did not. As this analysis is much broader than the limited scope of this thesis, my brief analysis only contextualizes the evolution of *exchange ethics* as analysed in terms of my own teleological concept of "the three households." This "teleological concept" explains how *exchange ethics* evolved in accordance with the three different ways of organizing society, rather than the modes of subsistence theory. Let us now return to Adam Smith's *Just so story*.

3.2 FOUR AGES OF HUMANKIND⁴

Adam Smith told his young students a *Just so story* to explain the four ages of humankind and why they moved through the ages towards commerce or, in some cases, did not (Kennedy, 2008:65). This *Just so story* revolves around a dozen fictitious people who live on an island. The story is about how they survive and continuously develop different modes of subsistence because of people's innate desire to better their living conditions. They begin to prosper more and more and develop patterns of behaviour. They subsequently institutionalize these behaviours to order their society. Adam Smith identifies the four distinct states that these inhabitants of the island, and by implication humankind, passed through: the Age of Hunters, the Age of Shepherds, the Age of Agriculture and the Age of Commerce (Meek *et al.*, 1983:14). These four distinct states are the substance of Adam Smith's explanation of various underlying occurrences in human evolution, namely population growth, division of labour, exchange of surplus goods, property rights, jurisprudence and the rise of governments. The discussion now briefly reflects on these aspects of human evolution, as these developments also imply a progression in human ethical conduct and an evolution of *exchange ethics*.

On Adam Smith's fictitious uninhabited island, population growth drives the inhabitants through the four ages (Kennedy, 2008:65). As the population growth demands sufficient food to survive, the increase in population drives the island society to find new modes of subsistence and ways to better their living conditions so that the growing population can prosper. Population growth also necessitates the discovery and cultivation of efficient ways to ensure a proper subsistence and to

³ The author acknowledges that the words "mankind," "man," or "his" are no longer best practice. Indicating an awareness of this in all quotes by Adam Smith would be annoying to the reader. In all quotes by and references to Adam Smith, the use of these terms ought to be interpreted as universal.

⁴ For the purpose of the analysis, I rely on Gavin Kennedy's analysis in his work *Adam Smith: A Moral Philosopher and His Political Economy* (Kennedy, 2008:64-77). Gavin Kennedy is also the author of *Adam Smith's Lost legacy* and is an Emeritus Professor at Edinburgh Business School, Heriot-Watt University, UK.

improve accessibility to these new modes of subsistence (Kennedy, 2008:66). As this process continues, the increase in population results in increased cultivation of land, which in turn results in a further division of labour and an increase in surplus goods and produce. This in turn results in the establishment of an exchange within the society and ultimately between societies and the rest of civilisation. This suggests that an increase in population and the discovery of new modes of subsistence change the approach to work, resulting in a finer division of labour and specialization, which is supported by new discoveries in sciences and technology. Ultimately, population growth results in increased production and consumption, but also in the improvement of quality of life in general and human behaviour and conduct.

Adam Smith directly relates the way society perceives and approaches ownership of property, whether acquired or inherited, to the mode of subsistence and the various stages of economic advancement that are evident during the different “ages of man” (Kennedy, 2008:64). Adam Smith asserts that the evolution of property is the key to the progress from societies of the “brutes towards civilisation” (Kennedy, 2008:64). In *The Wealth Of Nations*, Adam Smith (1776:689-708) clearly argues that without property, humans would have remained a low-density species in their respective habitats. This is evident from those societies who discovered the concept of property, as these societies developed higher forms of subsistence. However, property and the ownership in Smith’s (1776:710) observation “created great inequality.” The reason for this is that the right to property has paved the way for the accumulation of wealth and riches by a few. Accordingly, Adam Smith (1776:710) observes that “for one very rich human, there must be five hundred poor and the influence of the few supposes the indigence of the many.” The negative influence of this on human relations and human behaviour are obvious and irrefutable. With the advancement of property ownership, envy, malice and resentment prompt people to injure another in their person and their estate. The way individuals treat others varies according to customs and established rules of justice. The emergence of property has changed habits that were previously sustainable. Smith (1776:708-710) makes the following observation in this regard:

Men may live together in society with some degree of security, though there is no civil magistrate to protect them from the injustice of those passions. But avarice and ambition in the rich, in the poor the hatred of labour and the love of present ease and enjoyment, are the passions which prompt to invade property. Where there is great property, there is great inequality.

This inequality of riches and the consequential effect on human behaviour and conduct gave rise to the establishment of a system of justice [“jurisprudence”], which gave rise to the establishment of governments. Accordingly, the system of justice evolved over the various ages. For instance, in small “rude” societies that consisted of a few independent families living in the same village

and speaking the same language (Meek *et al.*, 1983:404), the system of justice followed the laws of nature (Meek *et al.*, 1983:404). When disputes broke out the whole society would deliberate on the alleged offence and, where possible, reconcile the parties, but failing reconciliation, they would “banish the miscreants, kill the disputants, or permit an injured party to obtain violent redress” (Kennedy, 2008:65). “But this is not a rule by a government of a few members acting on delegated or assumed powers, because action to enforce their justice required the entire society’s consent, living as they did accordingly to the laws of nature” (Kennedy, 2008:65).

In “shepherd societies,” (Meek *et al.*, 1983:16) theft was punished by immediate death. In these earlier societies, disputes were decided by the group or by a leading individual in the group and judgements would be fairly trivial and of the domestic kind (Kennedy, 2008:71-72). In these low population densities with vast open territories, punishment often included banishment, “with the expelled or disgruntled walking off with those who shared their guilt or grievance as many miles in any direction for as far as they wanted” (Kennedy, 2008:72). Gradually, through the evolution of property rights, jurisprudence evolved, and government rule was established, which culminated in the advancement of property rights. The mode of subsistence further evolved from the Age of Hunters to the Age of Shepherds. This in itself brought about new challenges to protecting different forms of property, such as domesticated animals, protecting the rich from the poor peasants and from fighting men. In “agricultural societies,” many more opportunities for discord within a community [i.e. boundary disputes, inheritance, access to water and the theft of crops etc] arose. These discords and disputes caused a great increase in the number of laws and rules (Meek *et al.*, 1983:16).

As the societies develop, the population increases and property become a universal right. The number of laws and regulations necessary to maintain justice and prevent infringements of property rights increases (Kennedy, 2008:72). This is particularly the case during the “Age of Commerce,” which gives a particular boost to the degree by which society improves. Kennedy (2008:72) writes: “The fact that Roman Law reached such a complete level, was in no so small measure due to the fragment disputes over inheritance, land ownership, trading behaviours, business contract and debts.” Adam Smith accordingly observes that it is only under the shelter of the civil magistrate and government that owners of valuable property, “which is acquired by the labour of many years, or perhaps many successive generations, could sleep a single night in security.” The property owners are at all times surrounded by unknown enemies. Even if enemies are never provoked, property owners cannot oppose enemies. They are protected only by the powerful arm of the government, which is continually tasked with chastising offenders. The acquisition of valuable and extensive property therefore necessarily requires the establishment of civil government (Smith, 1776:709-710). It is worth commenting in this context that property owners need protection not just from the envious poor, who have no property, but also, and

probably primarily, from the other envious property owners around them, who, being human [not just rich!], want more (Kennedy 2008:76). Kennedy (2008:76) mentions studies of the growth of shepherd societies in Central Asia and barbarian societies east and north of Roman frontiers. These studies trace the struggles among those in the rich orders, themselves divided by varying degrees of ambition, envy, unscrupulousness and opportunism. The same trend followed when agriculture as a mode of subsistence spread across Europe from the Near East. At the time, there were great inequalities in the living standard of the majority of the people. As with justice, governments emerge slowly as humans pass through the different ages (Kennedy, 2008:73).

Hume, in his *Treatise* (cited by Kennedy, 2008:73) gives an ingenious account of the slow and gradual emergence and acceptance of government in society over the ages. Hume's argument is fairly simple (cited by Kennedy, 2008:73):

Because humans are short-term-ist in respect of their interest, they prefer the immediate gratification of their interest more than the interest of others and more than their interest in the distant future and they are more partial towards the interests of their friends and acquaintances than this of strangers. Therefore, their behaviours would work against this interest beneficial to the continuation of society. If everybody behaves in this manner there would be disorder, the end result of which would be the perils of living in a state of nature, as members act with injustice towards each other in pursuit of their immediate interests. The remedy laid in discovering that consent for what is equitable is likely to be obtained if it will take effect in the remote future when its provisions are stripped of reference to the immediate concerns of those asked to give their consent. Unable to perceive how to handle matters that affect immediate interests but willing to contemplate matter that do not, or which affect others, people are comfortable with the idea that some authority, who has an interest in the execution of justice necessary to uphold society, will act to constrain everybody to act with regularity and not from their immediate self-interest driven by their violent passions. Civil governments [magistrates] do this by deciding all matters of controversy concerning individuals with some other individual and do no more equitably than individuals deciding their own case. This avoids the fatal errors of people acting solely in their own interest without regard to the interest of society. The interest of society is difficult to determine on the principle of unanimity, therefore civil government decides on what is likely to be most acceptable to most people, though they do so without consulting anybody but themselves.

Societies that discovered remedies for disorder and that established the rule of law, prompted by individuals and that slowly and gradually adopting suitable behaviours, survived more

successfully than those that did not (Kennedy, 2008:74). Societies that attempted to do so, but that inadequately executed their remedies and failed to suppress wayward acts of inequity, were pulled apart and the people dispersed or perished (Kennedy, 2008:74).

In the *Four ages of humankind*, Adam Smith expresses his most complete theory of history. The loose sequence of the four ages does not present an ideal type, but rather a dated historical sequence. The succession of shepherding by agriculture was not a revolution within a few generations as is often implied, nor was it a case of the physical elimination of troublesome shepherds of their flocks by vengeful farmers (Kennedy, 2008:66). It was a drawn-out process of changes in human behaviour and interpersonal relationships, of technological and economic changes, innovation and imitation, with hunting, shepherding and agriculture coexisting side by side for many millennia until agriculture finally triumphed (Kennedy, 2008:66-67). What is also evident from Adam Smith's historical construct is the gradual evolution of the system of justice, jurisprudence and the ultimate culmination of the rule of law and government. Coupled with that is the evolution of people's ethical behaviour and conduct.

Humans therefore over time established rules of behaviour and conduct and formally agreed on the protocols. In time, these became formal rules that were transferred to subsequent generations. These rules were established by mutual consent through multiple interactive human behaviour (Kennedy, 2008:32). Adam Smith therefore directed his attention to the mutuality of human conduct through chains of exchange relationships arising from the dependence of each person in society on the services and goodwill of many independent others (Kennedy, 2008:32). Smith followed the same logic with respect to social evolutions through the various ages of humankind and more in particular the effect of population growth, establishment of property rights, division of labour, scientific discovery, jurisprudence and the establishment of a system of justice and rule of government. The transition from the first simple efforts of uncultivated nature to a state of things so wonderfully artificial and complicated occurred through multiple gradual steps (Kennedy, 2008:28). Likewise, people's moral judgement, ethical behaviour and the rules to which we adhere, developed without an overall antecedent plan and create a general consensus about a virtuous life as well as the basis of fair exchange and virtues of conduct which lead to greater wealth and prosperity. Based on the countless individual judgements and concurrent chances that we as individuals have made over the ages in response to particular circumstances and through the evolution of knowledge and morality, human beings developed increasingly sophisticated principles of behaviour and judgement.

Seemingly isolated and haphazard interactions eventually solidify into principles that guide our conscience (Kennedy, 2008:40). Ultimately, the slow change in people's interests, experiences, environment and conscience, allowed enough time for longstanding associations and institutions

to arise, giving a firm foundation to the rules, standards and protocols that brought these associations into being and in turn are supported by them (Kennedy, 2008:40).

In the *Four ages of humankind*, Adam Smith creates an understanding of creation, the development and maintenance of human economic social and political life in general. By linking the invisible chain that binds together all these disjointed events in human history, he brings order to the chaos of jarring and discordant appearances. He explains how events in human evolution brought about a coherent and orderly system. By discovering the connecting chain of events, Adam Smith calms the emotional passions of surprise and wonder and instils tranquil admiration for creation as it unfolds.

The discussion now turns to examining the causality between the different ways of organizing society and the evolution of *exchange ethics*. The next segment specifically examines the process of evolution as it unfolded, leading up to the establishment of the market economy that we enjoy today. The teleological construct of “the household” is presented to contextualize the three distinct ways in which societies have been organized over the ages and how *exchange ethics* evolved accordingly.

3.3 THE HOUSEHOLD

Through the ages, humans found three ways of organizing society and the exchange of goods and services among members (Heilbroner, 1999:19)⁵. At first, humans have ensured their continuity, social and material progression by organizing their society around the tradition of the society by handing down the varied and necessary tasks and if you wish ethical and moral precepts and norms from generation to generation. Accordingly, customs and a pattern of conduct and attitudes were preserved (Heilbroner, 1999:19). This is called the *societal household*. The *societal household* is very evident in the Age of Hunters and the Age of Shepherds. These households are spatially and socially confined to certain territories and chieftainships. The head or leader of a tribe or clan is then also called the chief. In the *societal household* subsistence economy prevailed and individual rights, including ownership of property were not evident and fully recognized. The protection and progression of the household are paramount and individual rights subordinated. The survival of individual persons was depended in these “rude” societies on the survival of the society (Heilbroner, 1999:26). In a primitive society such as the *societal household*, the struggle between human self-centredness and cooperation is taken care of by the environment “when the spectre of starvation can look a community or (and individual) in the face” (Heilbroner, 1999:19). Anthropologists tell us “that under less stringent conditions men and

⁵ For the purpose of this analysis, I rely on the work of Robert L. Heilbroner, an American economist and historian of economic thought (1999:18-41).

women perform their regular tasks under the powerful guidance of the universally accepted norms of kinship and reciprocity” (Heilbroner, 1999:19). This innate social behaviour is well documented in the marvellous book (cited in Heilbroner, 1999:19) of Elizabeth Marshall Thomas where she describes how the “Bushmen of Africa cooperate to hunt down a gemsbok and reciprocate by dividing the meat amongst relatives and relatives of relatives *until in the end no person eats more than any other [own emphasis].*” The system of justice in these *societal households* that consists of a few to several hundred families living in the same village, has been very cordial yet rudimentary.

When disputes broke out the whole household would congregate and deliberate on the alleged offence and where possible reconciled the parties. But failing reconciliation and full subordination, members of the household could be banished, or an injured party may be permitted to obtain violent redress (Kennedy, 2008:65).

However, this would only be allowed with the consent of the entire household, living as they did according to the laws of nature (Kennedy, 2008:65). Without a basic morality and ethical behaviour suitable for the time, the perpetuation of these *societal households* became a remarkable social feat (Heilbroner, 1999:19). So remarkable, argues Heilbroner (1999:19), that the existence of these *societal households* “could hang by a hair.”

These minimal ethical principles and moral behaviour of kinship and reciprocity and others that were added in time, provided the basic conditions for these households to prosper, breed, nurture their members and exchange goods and services. These minimum conditions for social and physical evolution allowed primordial communities to have descendants and “incidentally” and “tellingly” argues Kennedy (2008:4), created an uninterrupted line of descent for those who survived directly to each one of us. The essential social bond of kinship and reciprocity kept these *societal household* in existence for many centuries to come. So strong has been the social bond that the idea of, making a living for oneself had not evolved. Economic and social life was one and the same thing (Heilbroner, 1999:26). Likewise, work has not been considered as a means other than as one’s societal duty. Land was considered as communal property and the usage of land was primarily and fundamentally determined by the entire household. For this reason, the idea of gain, especially in a personal context, has not occurred. However, the innate disposition of humankind to better the conditions of living has quickly evolved, though once more within a societal context. This resulted in very rudimentary exchange of goods (i.e. piece of meat for a wooden bow). Markets, asserted Heilbroner (1999:26), have existed as far back as history goes and existed in these societal households. However, Heilbroner (1999:26) writes “that while the idea of exchange and markets must be nearly as old as men, as with the idea of gain, we must not make the mistake of assuming that all of the world has the bargaining propensities of a modern-day American schoolboy”.

Ultimately, or should I rather assert, concurrently with the evolution of the societal households in mainly the Age of Shepherds – though many tribes still follow essentially similar principles of organizing themselves even in this modern age, a different way of ordering society evolved. In many societies around the world, especially those societies reliant on livestock and agriculture as a mode of subsistence, followed the whip of an authoritarian Ruler to see that the household tasks get done. These societies, politics aside, ensured their economic survival by the edicts of one authority and by the penalties that the supreme authority saw fit to issue (Heilbroner, 1999:20). This is called the *command household*. Heilbroner (1999:20) wrote in this regard:

The pyramids of ancient Egypt did not get built because some enterprising contractor took it into his head to build them, nor did the five-year plans of the Soviet Union get carried out because they happened to accord hand-me-down customs or individual self-interest. Both Russia and Egypt were command societies.

Such *command households* still exist in varying degrees, in our modern society and are not confined to the more basic mode of subsistence such as during the Age of the Shepherds and the Age of the Agriculture. Today several societies with so-called modern and market-related economies resemble the ancient *command households*, including the Republic of China, North Korea and even the vibrant City State of Dubai as part of the United Arab Emirates and Qatar.

Whichever way, ancient *command households* like the feudal way of life in Europe during the Medieval Age, were less characterized by kinship and reciprocity than coercion and co-optation of peasants and proletarian labourers by the powerful elite. This in itself accentuated the superficial ethics and morality of these *command households*. It is quite evident from the vanity and extravagance of authoritarian elite and the parodical Workhouses and Houses of Terror (Heilbroner, 1999:32) that are reminiscence of these *command households* at the time.

The world got along for centuries in the rut of tradition and command. Until, nothing short of a miracle occurred since the 13th century in Europe and later in the Americas. This was the dawn of the *liberal household*. According to Heilbroner (1999:21), “it was the most important revolution, from the point of view of shaping modern society, that ever took place – fundamentally more disturbing by far than the French, the American, or even the Russian Revolution.” As Heilbroner (1999:21) asserts, “to appreciate its magnitude, to understand the wrenching that it gave society [especially the neo-liberal societies of the west] we must immerse ourselves in that earlier and long-forgotten world from which our own household finally sprang.” Only then will it be clear why we manage our economic household the way we do and why we follow the *exchange ethics* that prevail today. This revolution has changed the ethics of exchange fundamentally. No longer is the household reliant on the kinship and reciprocity of the *societal household*, nor is the household further subjected to the whip of the authoritarian rule. Something more liberating, yet with

profound implications began to emerge. The discussion subsequently traces those events to bring us to where we are today and to show why the *exchange ethics* has changed fundamentally.

Prior to the 13th century, countless countries organized themselves either as *societal households* or as *command households*. The problem of survival was handed by tradition or command (Heilbroner, 1999:20).

These societies have shown great resolve, vitality and diversity, although they were subjected to either the will of the society or have exalted kings and commissars, used dried codfish and unmovable stones for money distributed their goods in the simplest communistic patterns or in the most highly ritualistic fashion (Heilbroner, 1999:20).

Gradually circumstances evolved that gave rise to the third solution of organizing society. Due to people's acquisitive nature and ingenuity of mind, the idea of individual gain developed. Unlike the simplicity and subordination of the *societal* or *command household*, the lure of individual gain, rather than the pull of tradition or the whip of authoritarian rule began to steer humanity. Human acquisitiveness and ingenuity gradually evolved and the dictates of people's free-spirited will began to erupt.

The idea of gain, the idea that each working person not only may, but should constantly strive to better his or her material lot and accumulate material wealth in his or her own right, was quite foreign to the great lower and middle strata of Egyptian, Greek, Roman and medieval cultures, only scattered throughout Renaissance and Reformation times and largely absent in the majority of Eastern and African societies (Heilbroner, 1999:24-25).

At the time, the idea of personal gain was not a universally accepted idea and the social and spiritual sanction to gain only occurred in relative modern times. Heilbroner (1999:25) observes

...that in the Medieval Age the church taught that no Christian ought to be a merchant and behind that teaching laid the thought that merchants were a disturbing yeast in the leaven of society. Even in Shakespeare's time, the object of life for the ordinary person, except the gentility, was not to advance his station in life, but rather to maintain it.

According to Heilbroner (1999:25), our pilgrim forefathers did not consider the idea of personal gain to be a tolerable and even useful goal in life. To them, personal gain appeared as nothing short of a "doctrine of the devil" (Heilbroner, 1999:25). Wealth, of course, even general trade and covetousness, are as old as the Bible. Merchant adventurers have existed and traded in goods as far back as the Phoenician sailors (Heilbroner, 1999:25) can be seen all through history, in the

speculators of Rome, the trading Venetians, the Hanseatic League and the great Portuguese and Spanish Voyagers who sought new routes (Heilbroner, 1999:25). But, as Heilbroner (1999:25) observed, the adventures of a few are a far different thing from an entire society moved by the venture spirit. "There is indeed a vast deal of difference between the envy inspired by the wealth of a few mighty personages and a general struggle for wealth and personal gain diffused throughout society" (Heilbroner, 1999:25). "These adventurers, traders, kings and a scattering of families as the early capitalist, were not the pillars of society, but often the outcasts and deracinated" (Heilbroner, 1999:26). The absence of the idea of personal gain as a normal guide for daily life and as an acceptable *exchange ethics* constituted a major difference between *the societal and command households* and the world that began to erupt during the 16th to 18th century. Even a more fundamental difference between the earlier households and the household that began to unfold, is the idea of making a living. This idea has not yet come into being at the time. Whereas in the *societal and command households* work has been considered a public duty as determined by the dictates of either the entire society, tribe or clan, or the authoritarian Ruler, work as a means to make a living and a means to an end was not considered. As such, societal or social life and work as a means to earn an economic life were one and the same thing. Labour was not for sale.

Labour, as a freely "contracting agent," (Heilbroner, 1999:28) did not exist. The labour market as we know it today, with its great network of job seekers and job hunters simply did not exist. There was a vast "hodgepodge of serfs, apprentices and journeyman" who did work, but most of this labour never entered a market to be bought and sold (Heilbroner, 1999:28). As Heilbroner (1999:28) observes: "in the country, the peasant lived tied to his lord's estate; he baked at the lord's oven and ground at the lord's mill, tilled at the lord's fields and served his lord in war, but he was rarely if ever paid for any of his services." The peasant was not a free contracting agent that command over his own labour and effort. Markets for the exchange of goods have existed for all of history (Heilbroner, 1999:25). The "Tablets of Tell-el-Amarna" tell of lively trade between the Pharaohs and the Levantine kings in 1400 BC (Heilbroner, 1999:26). While the idea of exchange must be nearly as old as humanity and was prevalent in the *societal and command households* and markets as a system to exchange goods, we must not make the mistake of assuming that the markets were remotely the same as the market economies of today. The market system of today is not just a means of exchanging goods, it is a mechanism for sustaining and organizing an entire society. While the markets of the past ages could upset a person's expectations, markets today not only dictate the social and political discourse of the economic household but could cause the demise of an entire society or rule of law.

Land, as an agent of growth, during the 14th and 15th century had been primarily societal or communal property and there was no such thing as land in the sense of being free saleable, or

rent-producing (Heilbroner, 1999:27). Estates, manors and principalities did exist – but these were not real estates to be bought and sold (Heilbroner, 1999:28). As such land formed the core of social life, as was the case in the *societal and command households*. Land constituted the foundation for the military, judicial and administrative organizations of society (Heilbroner, 1999:28).

Capital in the sense of private wealth did exist in the precapitalistic world, but not as risk capital and as a fund to assist third parties with their undertakings. Although capital existed, it was not put to new and aggressive use (Heilbroner, 1999:28). The motto at the time was rather “safety first” (Heilbroner, 1999:28) instead of taking risk or a calculated change.

Likewise, individual ingenuity and inquisitiveness, at least among the masses, were suppressed. Entrepreneurship was not commonly tolerated and a master guildsman that might produce a better product than his colleagues was regarded as treasonable (Heilbroner, 1999:28). For example, in the 16th century England, when the weaving trade attempted to promote mass production, the guilds protested to the king (Heilbroner, 1999:29).

The medieval world could not have conceived the market system at the time because the abstract elements of production itself had not yet been conceived but also any concentration of wealth was not tolerated, as it would set a bad precedent and threaten the balance of power. Because the abstract elements of production, namely, land, labour, capital and entrepreneurship were lacking, the market mechanism as we have come to know it in the capitalist society, did not exist in the Medieval Age, despite its colourful travelling fairs and marts (Heilbroner, 1999:29). The household was controlled by command or tradition. The lords gave orders, and society and production “waxed and waned” to their tunes (Heilbroner, 1999:29).

But then, Heilbroner (1999:29) says, “a great self-reproducing, self-sufficient world erupted into the bustling, scurrying, free-for-all of the 18th century”. With that, the *exchange ethics* also changed irrevocably. People’s attitude towards matter such as work for own gain, risk and reward, gratification, expression of individual desires, passions and eversion, interdependence of the person-within-society, social duties and individual acquisitiveness and ingenuity, changed.

Let us now reflect on the general nature of this process and on how these events unfolded. Firstly, the word “erupted” (Heilbroner, 1999:29) is perhaps a too dramatic a word, for the change would take place over several centuries rather than in a “single violent spasm” (Heilbroner, 1999:29). It was indeed a long drawn out process. Secondly, there was no single massive cause. The “new way of life” observed Heilbroner (1999:33) “grew inside the old, like a butterfly inside a chrysalis and when the stir of life was strong enough it burst the old structure asunder.” It was therefore not one great event, one single adventure or one individual piece of legislation or a powerful

personality that brought about the change. It was rather a spontaneous, many-sided occurrence. Thirdly, though the process of evolution may be regarded as spontaneous perhaps, it was not a very peaceful evolution. It was an “agonised and convulsion of society – a revolution” (Heilbroner, 1999:30). Hardly a peaceful prospect, as nobody really wanted this “commercialisation of life” (Heilbroner, 1999:30). How bitter it was becomes evident if we consider the process.⁶

Let us now turn to those occurrences in England at the time. It is the end of the 16th century, the great era of English expansion and adventure. This era is known for the feudal way of life, almost similar and identical to a very good mixture of the *societal and command households*. Queen Elizabeth has made a “triumphal tour of her kingdom” (Heilbroner, 1999:31). But she returns with a deep outcry in her heart: “There are Paupers everywhere!” (Heilbroner, 1999:31). What made this outcry so heart breaking, is that hundred years before, the English countryside consisted in large parts of the Yeoman – the largest body of independent, free and prosperous citizens in the world at the time (Heilbroner, 1999:31). The Yeoman consisted of peasant proprietors tilling their own lands. What happened over the last 100 years of their existence was that the entrenched feudal way of life of the Yeoman was uprooted. The hierarchy of social order and relationships were shattered, and the Yeoman were expropriated. What has happened has been really an enormous movement of expropriation (Heilbroner, 1999:31).

It all started when wool became a new, profitable commodity and grazing pastures for the wool producers were demanded. The pastures were made by enclosing the common land that Yeoman used to graze their cattle or gather peat. Likewise, the patchwork of small scattered holdings on which the Yeoman resided, together with the common land, were suddenly declared the private property of the Lord of the manor and it was no longer available to the Yeoman. Where before there was a kind of societal household and community ownership of land, private property became the order of the day. Yeoman were replaced by sheep (Heilbroner, 1999:31). Communal land was turned into commercialized land. To comprehend the extent of this process of expropriation and its devastated influence, we have no further to look than the conduct of the Duchess of Sutherland. In 1820, the Duchess disposed 15,000 communal Yeoman from 794,000 acres of land and replaced them with 131,000 sheep (Heilbroner, 1999:32). What was the fair compensation? I wondered. The Duchess, by way of compensation, *rented* the evicted Yeoman 30,000 acres, or an average of two acres per family or 4% of their original communal land (Heilbroner, 1999:32). To aggravate the situation these small acres of land have been the most sub-marginal land.

⁶ The evolutionary process that gave birth to the new way of life, that we know today as the “Market economy,” “Capitalism” or the “Neo-Liberal Market Economy” occurred primarily in the sixteenth to eighteenth century England. The expose is therefore confined to the occurrences unfolding in England at the time.

As if this wholesale land grabbing was not enough, what happened to the Yeoman is the cause of even greater injustice – but the beginning of a new era in *exchange ethics*. The Yeoman were deprived of the right to use the common land and consequently could not maintain himself as a farmer. Since no alternative job opportunities were readily available the once free and prosperous Yeoman, became an agricultural proletarian – the most miserable of all social classes (Heilbroner, 1999:32). Where agricultural work was lacking, the Yeoman became beggars and sometimes robbers, but usually paupers (Heilbroner, 1999:32). Terrified at the sudden increase in pauperism, the English parliament adopted a two-pronged approach to deal with the problem. First these Yeoman, now paupers, were “tied” to their parishes for a pittance of relief and secondly were kept in “parochial workhouses” that were described at the time as “houses of terror” (Heilbroner, 1999:32). Gradually the feudal system with its strong and established hierarchical household structure began to collapse, making way for a new way of life and altogether different way of looking at land and labour. With that, the *exchange ethics* of the age also changed.

This process of transformation ran its course well into the 19th century and no one force was sufficiently powerful to overpower the comfortable and established feudal system to institute in its place a new household system. The feudal system was accompanied by great agony and was quite unwanted. It is indeed a many-sided process of transformation that occurred (Heilbroner, 1999:33). First, there was the gradual emergence of the centralized monarchies as feudalism collapsed under the blows of the peasant wars and the kingly conquest (Heilbroner, 1999:33). With the emergence of the monarchies came the growth of a national spirit and royal patronage for favoured industries. The kingly quest soon erupted in the encouragement of foreign adventures and explorations and the search for gold. Secondly, the thousand towns in England that emerged over the five hundred years of feudalism experienced a surge in population once the land grabbing started. With that, the hustle and bustle of a buying and selling way of life evolved. In the course of this change, power naturally began to gravitate into the hands of those who understood money matters – the merchants and away from the disdainful mobility, who did not (Heilbroner, 1999:36). “Progress was not only a matter of this slow monetization” wrote Heilbroner (1999:36), “there was technical progress too.” Perhaps the most important change of all was the rise in scientific curiosity. The era saw the birth of the printing press, the paper mill, the windmill the mechanical clock, the map and a host of other inventions. With that, the division of labour, though rudimentary at the start, began to develop. Soon the attitude to work and wealth changed. What the English ruling classes failed to understand and feared the most, was the mobility of the working class. No longer can peasants be coerced and forcefully controlled. The commercialization of labour, like land, that was so much feared, became the new way of life. A fourth great change was founded on the slow decay of the religious spirit under the influence of the sceptical, inquiring and humanist views of the age (Heilbroner, 1999:34). What happened changed the ethics of the day irrevocably. The world of today elbowed aside the world of tomorrow

and the existential reality of life became the most important consideration. So did the notion of material standards, ordinary comforts and the ethics of the day. This changed the status of the merchant as he acquired more wealth, climbing in society, the merchant was no longer viewed as a mere useful “appendage but an integral part of a new kind of world” (Heilbroner, 1999:35). With that, some re-evaluation of the merchant’s function and purpose became necessary. At the time, the Protestant leaders paved the way for an integration of the spiritual and temporal realm of life (Heilbroner, 1999:35). According to Heilbroner (1999:35), the life of poverty and spiritual contemplation separate from the worldly life, is no longer enthusiastically praised. It became the ethics and belief of the day, that it was pious to make the most of once God-given talents in daily business and trade and acquisitiveness became a recognized virtue – not immediately for one’s private enjoyment, but for the greater glory of God (Heilbroner, 1999:35). “From here” wrote Heilbroner (1999:35) “it was openly a step to the identification of riches with spiritual excellence and of rich men with saintly ones. With that, the ethics of work and wealth also changed.” Therefore, the gradual acceptance by the spiritual leaders of the innocuousness, indeed the benefits of trade and exchange and of the market way of life, changed the *exchange ethics* of the day. Gradually, evidence of the market way of life sprang up side by side with the older societal or communal households and way of doing things, though remnants of the former households persisted after the market way of life had for all practical purposes taken over as the guiding principle of organizing society. The market or *liberated household* with its essential components of land, labour capital and art [now called entrepreneurship] was born, though not without agony. “The great chariot of society” wrote Heilbroner (1999:33) “which for so long had run down the gentle slope of tradition, now found itself powered by an internal combustion machine.” What now followed is a *liberated household* that is no longer driven by societal and authoritarian rule or edicts, but rather by transactions and more transaction. Gain, gain, gain provided a new and startling powerful motive force (Heilbroner, 1999:33).

By the 1700, the old society that worried over “just prices” (Heilbroner, 1999:37) and fought for the privilege of carrying on in past generations footsteps was on the wane. In its place came a new household that was gradually liberated from the edicts of tradition and command and a new set of self-evident dicta and *exchange ethics* emerged. Some the *exchange ethics* of the age were: (Heilbroner, 1999:37):

Every man is a naturally covetous of lucre. No laws are prevalent against gain. Gain is the Centre of the Circle of Commerce.

In the place of the “societal man” who considered kinship and reciprocity as virtues, a new “economic man – a pale wraith of a creature,” wrote Heilbroner (1999:37) “who followed his adding-machine brain wherever it led him came to life. In this world of affairs, a new fever of wealth and speculation had gripped Europe” (Heilbroner, 1999:37). No mistake about it wrote Heilbroner

(1999:37) the travail was over and the market system – (the *liberated household* – authors interpretation) had been born.

The *exchange ethics* of the day can therefore no longer advance either the societal or the command household, but the free liberated action of the profit seeker bound only by the market itself, would follow. The idea of gain that underlays this, became so firmly rooted, that people would soon vigorously affirm that it was an eternal and omnipresent part of human nature (Heilbroner, 1999:38). This transition was indeed not so clear-cut; precise; avoid of contradictory rationalization and precipitated by reasonable and sensible ethics of behaviour, as it may appear with hindsight. As long as the household was ruled through customs or command, the problem of riches and poverty hardly struck the earlier philosophers at all, other than to be accepted with a sigh or railed at, as “another sign of humans’ inner worthlessness” (Heilbroner, 1999:38). As long as humans, wrote Heilbroner (1999:38) “like bees, were born to be drones, no one much worried over the rationale of the labouring (sic) poor – *the vagaries of queens were infinitely more elevating and exciting.*” [own emphasis]. The existence of the poor and vast labouring substratum was simply taken for granted. The poor, like Aristotle asserted (cited by Heilbroner, 1999:38) “from the hour of their birth, was marked out for subjection and others for rule.” It was rather the rights of kings, divine and otherwise and the great questions of power, temporal and spiritual, which were debated and regarded as of intellectual consideration. The wretched struggle for power and wealth was the natural object of economic endeavour at the time and the most important ingredient in national power was gold. The *exchange ethics* of the age was greatly influence by the quest for kingly wealth and national stinginess and an overriding belief that “if all went well in the search for [the] treasure, a nation could scarcely fail to prosper.” The *exchange ethics* underlying their vision and practice of the time was to sell more to strangers yearly than what is consumed in value. Therefore, a nation must not buy more than it sells. It would be better off if it took in more than it gave in exchange (Heilbroner, 1999:41).

The new way of life brought with it many new social problems, for instance, keeping the poor, poor. It was generally admitted that unless the poor were poor, they could not be counted on to do an honest day’s work without asking for exorbitant wages (Heilbroner, 1999:40). “To make the society happy” wrote Bernard Mandeville (cited by Heilbroner, 1999:40) “.... it is requisite that great numbers should be ignorant as well as poor.” Secondly, a major social problem of the time was the selfishness and rapacity of the rich and the wealthy. The vanity of the rich and wealthy created an extravagant penchant for “luxury” purchases. They ultimately began to dismiss retainers to find their avarice. Therefore, for the gratification of the most childish, the meanest and the most sordid of all vanities, they gradually bartered their whole power and authority. (Smith, 1776:418)

Throughout the process of change, characterized by contradictory rationalization and dubious ethics of behaviour and conduct of the time, one thing alone stood clear and that is that human beings insisted on some sort of intellectual ordering to help him understand the world in which he lived (Heilbroner, 1999:41).

Out of the *mêlée* came, a philosopher of astonishing insight (Heilbroner, 1999:41). His name is Adam Smith. At the time, the English social scene of the late 18th century was noted for elegant and lavish lives of the leisure classes and society presented itself “as a brute struggle for existence in its meanest form” (Heilbroner, 1999:43).

But, outside the drawing rooms of London or the pleasant rich estates of the counties, all that one saw was rapacity, cruelty and degradation mingled with the most irrational and bewildering customs and traditions of some still earlier and already anachronistic day. Perhaps more resembled with James Watts strange steam machines: black, noisy, inefficient, dangerous (Heilbroner, 1999:43).

Yet, Adam Smith have professed to see order, design and purpose in all of this!! From all the contradictory rationalization and superficial ethics underlying the society at the time, Adam Smith (1759:236) professed to see:

The idea of that divine Being, whose benevolence and wisdom have from all eternity, contrived and conducted the immense machine of the universe so as at all times to produce the greatest possible quantity of happiness.

Adam Smith therefore set out to the search for a grand architecture beneath the hurly-burly of daily life of 18th century England. In his typical practical “backward” looking approach, Adam Smith set out to establish why some societies advance and grow quicker than others. Through his seminal works *The Theory of Moral Sentiments*, published in 1759, and *An Inquiry into the Nature and Causes of The Wealth of Nations*, which he published in 1776, Adam Smith described the mechanism of the market as a self-regulating system for society’s orderly provisioning of what he called the conveniences, amenities and amusement of life, or in short “opulence.” Adam Smith’s *classical exchange model* has become, what is known today, as the neo-liberal market model. Through Adam Smith’s seminal works, an [“*Moral*”] and economic blueprint unfolded. Adam Smith’s seminal works provided the “first true tableau of modern society” and his vision became “the prescription for the spectacles of generations” (Heilbroner, 1999:41). He gave the world “the image of itself for which it had been searching” (Heilbroner, 1999:41).

3.4 A NEW PARADIGM

In many ways, the *societal and command households* made way for a new way of living that today in contemporary scientific language can be construed as a new paradigm. The *liberated household* in terms of the scientific structure of paradigms is indeed a new paradigm. This new paradigm offers different institutional or societal arrangements with a new *exchange ethics*. This new *exchange ethics* in many ways is the culmination of events over many centuries. Though at the time it was construed that there is “no necessary social-evolutionary law ensuring the inevitability of progress” (Kennedy, 2008:8), the new paradigm of the *liberated household* grew inside the old and build on the conventions of previous generations. Adam Smith, in his practical and backward looking approach and system of deductions, has established that some societies prosper more and quicker than others. Adam Smith also observed that the more successful and prosperous societies, follow a certain conduct and have a particular attitude to life that are different to the rest of society. He furthermore developed a moral philosophy in support of his general observation that all of humankind intuitively wants to better their conditions of living and to exchange goods and services. His ethics and economic thoughts are in many ways reliant on his view of the way in which the divine Being (which he called by many names, God, The Author of Nature, Deity) by “His benevolence and wisdom have from eternity, contrived and conducted the immense machine of the universe so as at all times to produce the greatest possible quantity of happiness” (Smith, 1759:236).

Smith’s system of thought [both his ethics and economics] has become a “blueprint for a whole new mode of social organization” (Kennedy, 2008:53). It has become a model with its own ethics and economics that provides a framework for moral and ethical conduct that is quite law-like. Secondly, it also offers a market mechanism with unique laws and regulations. Jointly, his ethics and economics, act like a mechanism by which the “needless individual is kept in line with everybody else” (Heilbroner, 1999:54). In the true sense of the word, his ethics and economics jointly work like a mechanism or a self-regulating system for society’s orderly provisioning. As this thesis focuses on the ethical considerations of human behaviour and preferences, Adam Smith’s ethics as a mechanism to regulate human behaviour and preferences remains the focal point of this thesis rather than his economics. In the chapter to follow, I identify 29 ethics principles of conduct that are underlying Adam Smith’s ethics and economics and that are construed to be the behaviour or attitude of individuals and society as a whole that prosper more and quicker than others. These *exchange ethics* as I have collectively labelled them, would contextualize Adam Smith’s ethics and moral sentiments. I explain this in some detail in the chapter to follow.

Before we proceed, let’s summarize the nature and character of the evolutionary process of *exchange ethics* over the ages from the *societal* to the *command* “and ultimately the *liberated*

household.” The chapters to follow rely on these deductions in support of the thesis argument and future references become easier and better contextualized.

- Human beings as socially cooperative creatures are driven by the desire to find the means and manner of conduct to perpetuate at all times and to continuously improving conditions of living.
- Nature directs people through the immediate instincts of hunger, thirst, the passion that unites the two sexes, the love of pleasure and the dread of pain, towards these ends.
- It is by these immediate instincts that humans from a very early state of evolution developed the innate disposition to socialize in a societal context. They are inquisitive and self-centred and continuously toil and work towards bettering the conditions of living.
- Humans, soon realized that they cannot survive on their own and continuously need the help of other human beings. Accordingly, from early beginnings humankind congregated in societies with social arrangements. Humans also came to the realization that their own happiness depends on the happiness of society at large.
- Humans, from its earliest origins, realized that a person within a societal context cannot pursue the person’s own greed but rather has to moderate and balance the person’s own interests, desires, passions and aversions to a standard acceptable to society.
- Because of humans dualistic non-physical nature, humans are in a continuous struggle between their self-centredness and their innate socially cooperative nature, therefore constantly threaten to disrupt their societal relationship.
- A mutual sympathetic and symbiotic relationship between an individual and society continue to evolve and give rise to minimum standards for the coexistence and the cohesiveness in society.
- These minimum standards of behaviour evolve without a conscious deliberation, nor by reason, but rather through instinctive conduct and many small practical engagements of trial and error.
- The instinct to survive, preserve, bettering conditions of living and avoid desiccation are indeed fundamental for human existence and are antecedent to the establishment of the minimum standard of behaviour as it evolve.
- Throughout the process of evolution, human beings’ ingenuity and acquisitiveness to better conditions of living are driving them to acquire the necessities, amenities and amusements of life.
- Humans soon realized that certain behaviour of conduct and attitudes allow some to prosper and acquire the basic necessities quicker than others and by so doing accumulate a surplus over biological needs.

- Likewise, humans discovered that some societies survived better and figured out how to protect themselves better than others.
- Gradually these attitudes and behaviour of conduct became acceptable behaviour and the ethical and moral standard of living in some societies.
- As humans within a societal context progress towards agreeing on the minimum standard of *exchange ethics* in particular and ethical and moral behaviour in general, they became less exposed to the calamities of life and improved their chances of survival.
- Societies that developed particular *exchange ethics* agreed on rudimentary ethical and moral standard of living in general and found remedies to deal with conflict quicker than others, began to progress and discover new modes of subsistence and better ways to order their societies.
- At first humans organized themselves in terms of tradition, where the society set the norms of behaviour. Later on, authoritarian rule evolved where the society was subjected to the edicts of the authoritarian Ruler or an elite few. Ultimately, the free will of the individual triumphed and society was no longer controlled by tradition nor command but by multiple individual decisions and the whip of the individual desires, passions and aversions reigned supreme. With that, the *exchange ethics* and ethics in general, changed irrevocably.
- The process of change and transformation between various modes of subsistence and the concomitant evolution of the rules of law and the way society organized themselves was not a revolution as it normally implies, but rather took generations. It was a long drawn out process of technological and economic changes, innovation and imitation, with hunting, shepherding, agriculture and trade, coexisting side by side for many millennia until the next mode or way of life finally triumphed. Indeed, a gradual evolution.
- Over time, humankind established and formally agreed on general rules of behaviour and conduct and specific *exchange ethics* that in time became formal rules and protocols that get taught to the next generation and future generations. These rules and *exchange ethics* were established by mutual consent through multiple interactive human behaviour. These chains of events arisen from the dependence of each person in society and goodwill of many independent others.
- Through multiple gradual steps, the transition has been made from the first simple efforts of uncultivated nature, to a state of things so wonderfully and complicated.
- Likewise, the moral judgement and ethical behaviour and rules by which we render them, developed without an overall antecedent plan, creating a general consensus of the virtuous life, the basis of fair exchange and virtues of conduct that led to greater wealth and prosperity.
- Based on the countless individual judgements and concurrent choices that we as humans have made over the ages in response to particular circumstances and through the evolution

of knowledge and morality, we developed increasingly sophisticated principles of behaviour and judgement.

- What seems to be isolated and haphazard interaction over time leads to an eventual state where these conducts solidify into principles that guide our conscience.
- Ultimately, the slow change in people's interest, experiences, environment and conscience, allowed enough time for longstanding associations and institutions to arise, giving a firm foundation to the rules, standard and protocols that both brought these institutions into being and in turn are supported by them.
- The continued existence and proliferation of the initial "rude" societies is a remarkable social feat given the lack of a basic morality and ethical behaviour suitable for the time. These initial societies followed the minimal ethical principles of either kinship and reciprocity or coercion or co-option. These minimal ethical principles and moral behaviour and others that were added in time, provided the basis or conditions for these societies to prosper, breed, nurture their members and exchange goods and services.
- The essential social bond of kinship and reciprocity in *societal households* and coercion and co-option in *command households* kept these societies in existence for many centuries to come. So strong has been the social bond of kinship and reciprocity or the degree of coercion and co-option that the idea of making a living for oneself has not evolved for very a long time. Likewise, work has not been considered at first as a means other than as one's societal duty. Land has been traditionally considered as communal property and the usage of land was primarily and fundamentally determined by the entire society or the authoritarian Ruler. For this reason, the idea of gain, especially in a personal context has not occurred in the initial societies. Economic and social life was one and the same thing.
- The world got along for centuries in the rut of tradition and command, until, nothing short of a miracle occurred from the 13th century onwards. No longer is the society reliant on the kinship and reciprocity of the *societal household*, nor is the household further subjected to the whip of the authoritarian rule. Something more liberating, yet with profound implications, began to emerge. Gradually circumstances evolved that gave rise to the third solution of organizing society. Due to people's acquisitive nature and ingenuity of mind, the idea of individual gain arose. Unlike the simplicity and subordination of the *societal* and *command household*, the lure of individual gain, rather than the pull of tradition or the whip of authoritarian rule began to steer humanity. The human desire to acquire things and their skill to do this gradually evolved and the dictates of human free will began to evolve. Work as a means to make a living and a means to an end became part of normal life. Land as an agent of growth became a reality and its commercialization became a fact of life. Likewise, capital evolved as a productive agent to fund new enterprises and produce a return.

- The medieval world could not have conceived the market system at the time because the abstract elements of production itself had not yet been conceived but also any concentration of wealth was not tolerated, as it would threaten the balance of power.
- Ultimately, a great self-reproducing, self-sufficient world erupted into the bustling, scurrying, free-for-all of the 18th century. With that, *exchange ethics* also changed irrevocably. Human's attitude towards matters such as work for own gain, risk and reward, gratification, expression of individual desires, passions and aversions, interdependent of the person-within-society, societal duties and individual acquisitiveness and ingenuity changed.
- Gradually the feudal system with its strong and established hierarchical household structure began to collapse, making way for a new way of life.
- The process of transformation ran its course well into the 19th century and no one force was sufficiently powerful to overthrow the comfortable and establish feudal household and institute in its place a new household system.
- Gradually, evidence of the market way of life sprang up side by side with the *societal and command households*.
- With this, the *exchange ethics* changed and the old ways of kinship and reciprocity or coercion and co-option made way for individual gain.
- This transition, was not so clear-cut, precise, avoid of contradictory rationalization and precipitated by reasonable and sensible ethics of behaviour, as it may appear with hindsight.

This process of transformation has been characterized by the following nature.

- As social evolution is a process of discovery, the transformation occurred gradually, though small steps and the new grew out of the old (Kennedy, 2008:28).
- By following the chain of events and connecting principles of nature, Adam Smith observed that there is no law ensuring the inevitability of progress (Kennedy, 2008:8).
- Through interactive human behaviour and multiple decisions, rules of behaviour evolve through mutual consent (Kennedy, 2008:32).
- The innate disposition of human constitutes the fundamental, essence of ethical behaviour that is antecedent to general prosperity (Kennedy, 2008:31).
- Ethical principles and norms of behaviour are deduced not from appeal to reason, conventions or assembly, but rather through experience and deduction (Kennedy, 2008:38).
- The formulation of ethical principles and in particular *exchange ethics* is a discovery process over many generations (Kennedy, 2008:38) and is the result of human dependence.
- People are naturally inclined to focus on the end, but they also focus on the means to the end and on self-preservation (Kennedy, 2008:38).

- Moral judgements, along with the rules by which we render them, developed without an overall antecedent plan, creating a general consensus of the virtuous life-based on countless individual judgements made in countless particular situations (Kennedy, 2008:40).
- What seems to be isolated and haphazard interactions, leads, as society evolve, to habits of behaviour and the eventual sophisticated principles that guide our conscience (Kennedy, 2008:40).

Let us now proceed to uncover those *exchange ethics* that Adam Smith professed to be rather growth inducing and would lead to greater wealth and prosperity. Thereafter, in Chapter 5 and 6, I examine Adam Smith's moral philosophy in support of those principles of conduct the he regards as most conducive to economic prosperity.

CHAPTER 4 **EXCHANGE ETHICS FOR ECONOMIC PROSPERITY**

I have endeavoured in the aforesaid Chapter to articulate how the economic household evolved over time. In particular, I have explained how the “impersonal, dehumanized economic entities” (Heilbroner, 1999:27) of land, labour and capital as concepts have evolved (Heilbroner, 1999:27). I also gave a broad explanation of how the ethics evolved from the *societal household to the command household* and ultimately culminated into the *liberated household*. The ethics of the *liberated household* together with the laws of the “impersonal and dehumanized” economic entities of land, labour and capital constituted a mechanism for “sustaining and maintaining” the 18th century English society and many other western societies that followed. (Heilbroner, 1999:27). In the *liberated household* where the traditions of the society or the commands of the Ruler no longer reigned supreme, but instead individual pursued and interest, a *mechanism* evolved to keep the needless individual in line with everybody else (Heilbroner, 1999:54). In ways that I elaborate on at a later stage, this mechanism serves to moderate human passions as well as changing individual deceptions. As such, the mechanism, function in ways that can be construed as law-like or as a regulatory mechanism. In Adam Smith’s corpus, this *mechanism* is much more than a simple market mechanism. Let me explain. On the one hand, human behaviour and preferences are directed by price, that in turn is determined by supply and demand. On the other hand, human behaviour and preferences are shaped and guided by a person’s ethic, that in turn is determined by a person’s worldview. Adam Smith’s corpus offers an integrated model whereby the procurement and distribution of necessities, conveniences and amusement of life are determined by both price and ethics. Admittedly, the view may be construed to be too simplistic. However, it serves to bring to bear the assertion that price and ethics are two sides of the same coin. A coin, if you wish, that represent the true value of society and that guide and shape human economic behaviour and preferences. The argument that “the fundamental explanation of man’s behaviour ... is find in the rational persistent pursuit of self-interest” (Cannan, 1976:xi) which is labelled “utility-maximizing behaviour” (Cannan, 1976:xi), in my view is not complete. The argument that the “rationale, persistent pursuit of self-interest” of human behaviour is the basis upon which the “market mechanism” functions, disregard one of the most fundamental concepts of Adam Smith’s thoughts, namely *habitual sympathy*. *Habitual sympathy* like many other actions are motivated by self-interest but cannot be regarded as a self-interest or selfish act. Of great importance, is that Adam Smith, extensively argues that human conscience has great influence over human sympathy which “counter selfishness” in the moral sense of the word (Griswold, 1999:91). Within this context, Adam Smith (1759:316-317) argues that, the interest which we take in the welfare of society and other human beings is upon sympathy – which in no sense can be regarded as a selfish principle. It is important that this nuanced distinction between sympathy and self-interest action ought to be understood. In fact, sympathy and self-interest action are supplementary to one another. The sense of sympathy is the basis of moral judgement

that determine which self-interest action is fit or unfit, right or wrong, virtuous or vicious, selfish or rapacious. The sense of sympathy in turn, is greatly influenced by human conscience which in turn is founded upon, what Adam Smith (1759:235) called *universal benevolence*. *Universal benevolence* is in reality, the immediate care, protection and happiness that all the inhabitants of the universe, the meanest as well as the greatest, enjoy. The great benevolent and all-wise Being – God, the Author of Nature in His own unalterable perfections administer and maintain the universe in a way that bring forth the greatest possible quantity of happiness at all times (Smith, 1759:235). In fact, Adam Smith (1776:235-237) argues that human sympathy is founded upon a person's thorough conviction of universal benevolence. In other words, that God is the administrator of the great system of the universe and that God takes care of the universal happiness. Those with a thorough conviction of universal benevolence is then called by Adam Smith as "rational and sensible beings" (Smith, 1776:237). In other words, according to Adam Smith's ethics, human rationality and sensibility are founded upon two dimensions: Self-interest and habitual sympathy, of which the latter is founded upon human conscience or a person's understanding and experience of universal benevolence as a manifestation of God's unalterable perfections.

Let me put it differently. The procurement and distribution of the impersonal and dehumanized economic entities of land, labour and capital are directed by price and ethics. These two fundamental parts are jointly an expression of an individual's and society's values and what is considered as valuable. As such price and ethics shape and guide human economic behaviour and preferences. At least, this is my understanding of Adam Smith's corpus on ethics and economics. As the hypothesis and main aim of this thesis focus on the fundamentals of ethics and not that of price, this thesis only deals with the former.

For reasons mentioned in Chapter 2, the moral philosophy and ethics of Adam Smith are further examined. Taking into consideration the entire corpus of Adam Smith, there are three fundamental questions that ought to be considered and to fully contextualize Adam Smith's ethics and moral philosophy.

- The first question is why some individuals and societies prosper and advance quicker than others. Consideration and examination of this question justify an entire study on its own. For purpose of this thesis and to contextualise the next two questions, I have deemed it necessary to give a summary of the 29 ethical principles of human behaviour that can be deduced from the corpus of Adam Smith's ethics and economic thoughts. These 29 ethical principles in no regard should be construed to be complete. These principles offer a holistic view of those ethical principles of human economic behaviour that can be construed to be conditions conducive to economic growth and prosperity and the reasons why some individuals and societies are more prosperous than others. In order to contextualize these

principles, I have deemed it necessary to give my reasons why *exchange ethics* ought to be considered as a constituent element of the law of motion. In Chapter 8, I return to these 29 ethical principles when I offer the outline of the new ethical paradigm.

- The second question is: “Wherein does virtue consist? Or what is the tone of temper and tenor of conduct, which constitute the excellent and praise-worthy character, the character which is the natural object of esteem, honour and approbation?” (Smith, 1759:265).
- “The third question is by what power or faculty in the mind is it, that this character whatever it be, is recommended to us? Or in other words, how and by what means does it come to pass, that the mind prefers one tenor of conduct to another, denominates the one right and the other wrong: consider the one as the object of approbation, honour and reward and the other of blame, conscience and punishment” (Smith, 1759:265). In considering this question, I examine the basis of moral judgement, the philosophical construct of *The Impartial Spectator* and the influence and authority of conscience.

With regard to the first question, this Chapter set out those 29 principles underlying human behaviour for economic prosperity. Chapter 5 deals extensively with the principles of virtue, while Chapter 6 examines question three. Upon completion of Chapters 4, 5 and 6, I examine Adam Smith’s moral philosophy and ethics in terms of eight principles or standards by which the ethical and moral views (theories) may be judged or decided upon.

4.1 WHY EXCHANGE ETHICS IS THE FIFTH ELEMENT OF THE LAW OF MOTION

The evolution of humankind from the earlier Age of Hunters, through the Age of Shepherds and the Age of Agriculture to the Age of Commerce, indeed brought about new modes of subsistence, ways of living and ways of organizing society.

The changes in the way humans live and their relative ease of life from age to age have been precipitated by certain human dispositions and changes in attitudes, conduct, behaviour and preferences of individual persons and societies. For example, during the very rudimentary age, people’s innate desire to belong and to associate with other humans provided the catalyst for the creation of communities and the evolution of the ethical principle of kinship. Likewise, people’s innate creativeness, ingenuity, inquisitiveness and the innate strive to improve conditions of living, caused them to search for and to find new modes of subsistence or ways to ease life and to create for instance, a surplus of food over biological needs. This caused earlier communities to evolve means to exchange surplus goods (i.e. food) based on the principle of reciprocity. Throughout the ages, people’s innate as well as acquired behaviour, and in particular those behaviours that

caused humans to search for ways to ease life and to better their conditions of living through the acquisition and exchange of the necessities, conveniences and amusement of life (refer to in this thesis, as *exchange ethics*), have evolved with the time.

The evolution of people's *exchange ethics*, provided *the motion* for the development of new systems or arrangements to better their living conditions and to exchange surplus goods. For example, during the Age of Hunters human beings have evolved – I use this word deliberately to emphasize the gradual and prolonged nature of the process—customary or societal habits of behaviour that caused the advancement of the wellbeing and survival of the society of Hunters. In similar manner, we saw that during the Age of Shepherds, social conventions, though rudimentary, evolved to provide for individual property rights in addition to societal or communal land ownership. This evolution brought about new mode of subsistence, as the farmer evolved, and the introduction of the Age of Agriculture emerged. With that, people began to evolve, at least in an economical sense as manifested in wealth and richness, unequally, which in turn caused the rise of feudalism and a command centred societies or authoritarian rule by a few over the masses. Ultimately, over many centuries of turmoil that prodded land, labour and capital into existence, the emergence of what is known today as the market mechanism with its market making forces that are essentially reliant on individual behaviour and preferences ripped apart the mould of customs, the usage of tradition (Heilbroner, 1999:33) and ultimately the edicts of the authoritarian Ruler and the *command household*. From the earlier times, when humans followed the edicts of society through customs and traditions and then later were also subjected to the edicts of the Ruler, the Age of Commerce emerged. The Age of Commerce emerged, as society became more and more subjected, because of people's innate self-centred disposition and inclination to pursue self-interest gain, to the edicts of individual persons. What have transpired, though over a very long period of human evolution, are quite fundamental. During the initial ages of human evolution, human beings either showed loyalty or commitment to the larger community or to society or to the authoritarian Ruler or Monarchy. In contemporary societies and more particularly from the 13th century onwards, human allegiance has shifted to a person's individual desires, passions and aversions driven by self-interest and self-gain. With that, a person's individual desires, passions and aversions became a fundamental obsession.

This fundamental change in individual behaviour and attitudes and with that *exchange ethics*, lead to the emergence of a new way of life. A way of life driven no longer by society nor the commands of the authoritarian few, but by the individual drive for gain and individual advancement. With that, the emergence of private property moguls, the landless labourers, the profit-seeking capitalist, paupers, government and public institutions, jurisprudence [positive law] and finally gold and later money as a form of exchange, evolved. The emergence of what had become known as the Age of Commerce has brought many challenges because, when individuals

no longer obeyed the edicts of society nor that of the rulers, the question arise, who would control the edicts of individual desires, passions and aversions and where will society end? Out of this confused scuffle to find a new order for society, the moral philosopher, Adam Smith, as I have already alluded to in the subsequent *section 3.1*, with his extraordinary, knowledge of history, wondered why some parts of the human population had gone beyond the first Age of Hunters; why some had stayed in the age they had reached [shepherds or farmers]; and why a minority in Western Europe, which had first experienced the Age of Commerce before the fall of Rome, have experienced a revival in commerce, increasingly evident since the 15th century. Adam Smith, in his typical characteristic way to rather look backward and not forward (Kennedy, 2008:7) set out to enquire what exactly were the laws of motion that drove that re-emergence and what subverted the natural growth-inducing effects of commerce from happening (Kennedy, 2008:8).

Adam Smith's (Kennedy, 2008:184) conclusion from his historical assessment of human evolution made it clear, *inter alia* that: Firstly, these societies whose members are subject to prevalent non-growth-inducing behaviour grew slower. Secondly, growth-inducing habits and behaviour developed more extensively in some individuals and societies than others, helping individuals and ultimately the society to create a greater surplus of goods; develop exchange mechanism and arrangements associated – ultimately improving the conditions of living faster and more extensively. Thirdly, individuals and societies growth to opulence remain retarded by behaviours and attitudes that are prejudicial to the progress of opulence. Behaviours and attitudes that were prejudicial to the progress of opulence were, *inter alia*,

- Absence of capital to fuel the wheel of circulation due to the prodigality of individuals.
- Lack of frugality among persons causing a lack of ingenuity, hard work and thriftiness.
- Lack of surplus to exchange and better conditions of living.
- Rudeness, barbarianism and lack of respect for law and order and the coercion of the masses that lead to perpetual wars and hostility and
- Lack of ingenuity and creativity obstructing the division of labour and discouraging acts of manufacturism.

Essentially Adam Smith observed that: “The material world, (notably in Europe) was changing under new laws of motion” (Kennedy, 2008:5) and “secondly that the cause of wealth creation are the inherent qualities of mind and character [“disposition”] which is the occasion of the difference of genies rather than the reverse.” Rooted in his observation of history, supported by his understanding of economics, Adam Smith developed a simple *classical exchange model* that explain how certain societies progress faster and further than others. His simple *classical exchange model* wrote Kennedy (2008:9) “from the frugal investment of surplus output on employing productive labour, in the great wheel of circulation”, expanded productive employment

and cumulatively increased annual exchangeable output – just to restart the wheel of circulation. Adam Smith's *classical exchange model* brought to light what has become known as the constituent elements of Smithian growth. These constituent elements provide what is needed for an optimum growth trajectory or differently said, the optimum progress to opulence (Kennedy, 2008:171) and to perfect liberty. These constituent elements are capital, land, labour as the three main constituent elements plus applied knowledge ["arts"] which over time had enormous implications beyond the mere additive influence of quantities of the three main constituent elements of land, labour and capital. These constituent elements, collectively and separately, are the cause that brought about a commercial system (Kennedy, 2008:174) that are required for optimal progress and in Adam Smith's words "*opulence*".

Adam Smith's *classical exchange model* works this way: The rate of increase in employment ["labour"] dependent on the rate of *capital* accumulation ["capital"] that afforded an increase in the division of labour and specialization and more roundabout production process. The division of labour dependent on the extent of their markets (Smith, 1776:277) which with technical progress, produced increasing returns to scale and lower per-unit prices. Productivity will rise both from (or either) using more capital to employ more labourers to subdivide labour even more finely (from dexterity and time saving) and from using more capital to add inventions or to purchase machines that facilitate or abridge labour, assuming there is tolerable security. The outcome was to increase net output of the product of land ["Land"] and labour and as revenue maintains all labourers, productive and unproductive and their dependents [those who do not labour at all] (Smith, 1776:174). The key impact on growth depends on the proportion of the revenue that is spent on growth-inducing productive or growth-inhibiting activities. Revenue is spent on either consumption or is saved. Those who also save out of their revenue add to their capital either by employing productive hands or by lending for a share in his profit (Smith, 1776:285). According to Adam Smith it was: "parsimony", by increasing the fund which is destined for the maintenance of productive hands (which) tends to increase the number of those hands, whose labour adds to the value of the subject upon which it is bestowed, which increases the exchangeable value of the annual produce of the country by putting into motion an additional value to the annual produce (Smith, 1776:337).

"But the laws of the market are only a description of the behaviour that gives society its cohesiveness," wrote Heilbroner (1999:59). "Something else must make it go"!

Adam Smith's hero, argues Kennedy (2008:175), was therefore the frugal person whose savings afforded the maintenance of an additional number of productive hands and, in effect, established as it were a perpetual fund for the maintenance of an equal number in all times to come. And this is, wrote Adam Smith (1776:338) brought about by a very powerful principle, the plain and evident interest of every individual to whom any share of it shall belong. Should the individual cease or

temper his frugality he would make an evident loss from pervert[ing] his capital from its proper destination.

But there is also another hero, though sadly, a very unsung hero and that is the *diligent person* or the productive hands that Adam Smith refers to in his laws of motion. Yes, all the thousands that Adam Smith (1759:184) referred to in his works *The Theory of Moral Sentiments*, are those who:

- toil in the landlord's fields;
- prepare in the nicest manner that little which he himself make use of;
- fit up the palace in which this little is to be consumed;
- provide and keep in order all the baubles and trinkets employed in the economy of greatness;
- derive from the landlord's luxury and caprice, that share of the necessaries of life which they would in vain have expected from his humanity or his justice.

It is the *frugal person* and the *diligent person* that provided the motion to the other four constituent elements. It is indeed the frugality, the parsimony and diligence of these hero's that truly make the great wheel of circulation turning and spinning. The attitude of behaviour and more pertinently the principles of virtue and moral judgement that govern the conduct of the frugal person and the diligent person therefore determine together with the other laws, the actual motion in the inhuman production factors of capital, land, labour and applied knowledge. The attitude of behaviour and the governing principles of human conduct together with the other general rules which bodies observed in communication of motion, are called the laws of motion. (Smith, 1759:165). Therefore, wrote Adam Smith (1759:165), those general rules which our moral faculties observe in approving or condemning whatever sentiment or action is subjected to their examination, may much more justly be denominated such. They have, wrote Adam Smith (1759:165) a much greater resemblance to what are properly called laws, those general rules which the sovereign lays down to direct the conduct of his subjects.

Exchange ethics is therefore the fifth constituent element of the law of motion, because the heroes of Adam Smith's *classical exchange model*, namely the *frugal person* and the *diligent person*, approach the multiple decisions they have to make with an attitude that determine their conduct and giving rise to certain acts that have *consequences*. The *frugal person* and the *diligent person's* behaviour and preferences with regards to their economic conduct (i.e. the pro-rata revenue spend on consumption or his work ethics) greatly determine the efficacy of the other constituted elements of the law of motion being capital, land, labour and applied knowledge. It is indeed the attitude, behaviour and preferences of the *frugal person* and the *diligent person* that drive society to the wonderful multiplication of wealth and riches – and not only the inhuman

production factors of land, labour, capital and applied knowledge. It is the *exchange ethics* of the *frugal person* and the *diligent person* that set the motion. Without the fifth constituent element of *exchange ethics* the other production factors are quite impotent and lack purpose and conscience.

Exchange ethics as a constituted element and in the context of what Vorster (2007:2) describes broadly as “ethics”, therefore set out to describe the conduct of humans which inter alia include their attitudes and the consequences of their acts. More specifically individual behaviour and preferences that are considered in the context of Adam Smith’s *classical exchange model* as growth-inducing behaviour. That, if pursued, would advance a person’s economic prosperity [in Adam Smith’s terminology “opulence”] and ultimately society at large. As such *exchange ethics* not only describe individual behaviour and economic preferences but also prescribes norms to build a certain ethos in a society with regards to all facets of the economic household.

Considering the constituent elements of capital, land, labour and applied knowledge [art] there are other ethical considerations that may influence the conduct or motion of these elements. These ethical considerations may include ethical principles and norms of, inter alia, fair interest rates, subsistence, wages and just rate of return. These ethical principles and norms are having a direct effect on human behaviour and preferences and as such influence the motion of the remaining constituent elements. These ethical principles and norms may also be considered as *exchange ethics*.

However, in the context of this thesis and more particular within the broad parameters of Section 4.1 with the heading “*Exchange ethics as a constituent element of the law of motion*” only those underlying ethical principles of an individual person’s behaviour and conduct as identified in Adam Smith’s *classical exchange model* as growth inducing and if pursued, would cause greater prosperity and wealth, are being examined.

In Section 4.2, I endeavour to give an account of the ethics principles of individual behaviour and conduct that is consistent with economic prosperity. In Chapter 5 to follow, I reflect on the proper tone of temper and tenor of conduct which are required for economic prosperity and that constitute an excellent and praise-worthy character. In Chapter 6, I examine the basis of moral judgement or the power or facility in the mind that recommend one tenor of conduct to another and denominates certain behaviour, preference or action as right and the other as wrong. These aspects of human behaviour and conduct that are examined in more detail in Sections 4.1 to 4.5, are critical for the efficiency of the market model that are the basis of organizing our modern society, especially in the liberal societies. As Adam Smit’s market model is essentially a *classical exchange model* rather than a growth theory, the efficiency of the market mechanism and then more specifically the technical production factors of land, capital and applied knowledge are reliant upon the moral and ethical behaviour of individual persons and society at large. As such

the *Classical exchange model* is reliant upon good conduct and most perfect virtue. Adam Smith's observation that the cause of wealth creation is the inherent qualities of mind and character (disposition) which is the occasion of the difference of genius rather than the reverse goes to the root of the *Classical exchange model* – an aspect, more often than not, which is overlooked.

In the final analysis, it would be clearly observed that the *Classical exchange model* of Adam Smith is indeed dependent upon the fifth constituent element of the law of motion – the ethical behaviour, virtuous traits and moral judgement (*exchange ethics*) of the wise and virtuous agent. A person that is wise and virtuous with a proper tone of temper and tenor of conduct and good moral judgement stand to prosper more. Likewise, a society that consist of wise and virtuous citizens prosper more than others. Equally so, a person and society at large that upholds growth-inducing ethical principles of behaviour and conduct will prosper more and be recompensed with wealth and honour.

As *theoconomy* relies on the directive principles of Adam Smith's *classical exchange model* as a mechanism of organizing our economic household, more importantly those directive principles implied in the market model as growth inducing would lead to greater prosperity and wealth if pursued. We have to identify these ethical principles of behaviour for further consideration.

Let us therefore proceed to reflect upon these ethical principles of behaviour as implied in Adam Smith's *classical exchange model*.

4.2 EXCHANGE ETHICS THAT ARE CONSISTENT WITH ECONOMIC PROSPERITY

In this section, I set out those *exchange ethics* or ethical principles of behaviour that are growth inducing. According to Adam Smith's *classical exchange model*, these principles would advance individuals' and ultimately a society's chances of achieving greater wealth and prosperity.

For the purpose of this thesis, I have elected not to give an exposé of the mechanical analysis of Adam Smith's *classical exchange model*. Instead I have, in terms of the main aim of this thesis, interpreted and analysed the underlying directive principles with regard to human behaviour that ought to be upheld in pursuance of economic prosperity as implied in Adam Smith's *classical exchange model*.

Chapter 5 reflects on the proper tone of temper and tenor of human conduct and behaviour that are required to uphold the behaviour of conduct that is required to attain economic prosperity. This part reflects on the different habits which a person and society at large ought to develop to regulate our behaviour and preferences in a manner that advance economic prosperity.

Essentially this part describes the character of the frugal person and the diligent person who are the real heroes of Adam Smith's *classical exchange model*.

This section discusses the facts surrounding *exchange ethics* and does not offer an evaluation, as *exchange ethics* are implied in the Adam Smith's *classical exchange model*. The final part of this chapter reflects on the moral efficacy of the directive principles and human behaviour and conduct as implied in the classical market model of Adam Smith that is known today as the neo-liberal market model. This analysis may conclude that an alternative or supplementary ethics paradigm is needed to shape and guide individual economic behaviour and preferences. As such, I introduce alternative *exchange ethics* or a nuanced or supplementary dimension to the existing *exchange ethics* as a constituent element of the exchange model as implied in Adam Smith's market mechanism.

The first four principles of behaviour are what I refer to as *Natural Ethics* that are in my analysis innate to economic behaviour and preferences. *Natural Ethics* are innate in the sense that these attributes of mind are instinctively, unlearned and natural. While, other human economic behaviour is not innate and have to be acquired and continuously renewed to become habits and traits and ultimately virtues of conduct that are ethical in nature, scope and utility. These attitudes or conduct of behaviour I would referred to as *acquired ethics*. The respective principles of behaviour have been worded in an "ought to" context to accentuate the directive principles thereof and within the aim of this chapter, are regarded as teleological principles and directives to be considered in formulating the ethical paradigm of *theoconomy*. In my interpretation of the recommended principles of behaviour as implied in Adam Smith's *classical exchange model*, I have worded these principles in their normative context or as principles of behaviour that ought to be followed in pursuit of economic prosperity and wealth. I admit, that being merely normative is not necessarily being ethical. As it is not universally agreed just how the ethical is to be distinguished from the rest of the normative, I consider the recommended principles of behaviour and conduct as ethical for the following reasons.

- These principles of behaviour are not ethical neutral, because it involves conflicts between the interest of different people and as such the normative principles are certainly ethical.
- These principles of behaviour describe the conduct of humans which inter alia express their attitudes and determine their preferences and as such have certain consequence for the wellbeing of an individual person as well as for other human beings.

These normative principles of behaviour and conduct as summarized hereafter may not be construed as extensive and exhaustive. For all intents and purposes, each separate principle of behaviour justifies in its own right a far more elaborate examination and clarification, but this would not be possible within this scope and purpose of his thesis. Let us now proceed to identify those ethical principles of behaviour that if pursued would lead to greater wealth and prosperity for both individual persons and society at large.

**PRINCIPLE:1 THE INNATE DESIRE OF EACH PERSON FOR SELF-BETTERMENT
 OUGHT TO BE ENCOURAGED AND PROTECTED AS A
 FUNDAMENTAL RIGHT OF LIBERTY**

Adam Smith (1776:65) alluded to a partial explanation as to why some individuals and societies are more prosperous than others and concluded that some pursue the great purpose of human life, what he referred to as bettering of living conditions, with greater ambition. It is this ambition that prompts some individuals, a long way down the transitional path from rude subsistence, by creating a surplus stock (i.e. food), to save their stock for future use and prompt them to employ industrious people to sustain and better their conditions of living. According to Adam Smith (1776:341), the lifelong womb to the grave desire for self-betterment positively prompted competitiveness but also urge individuals and societies to find remedies for disorder that are prompted from the slow and gradual adoption of behaviours of individuals (Kennedy, 2008:74) and to overcome obstacles in the way of progress, such as distortions created by merchants and manufacturers (Smith, 1776:341). Adam Smith's mode of subsistence theory of human endeavour, is therefore associated with the possibility [not the inevitability] of a search for ways to better conditions of living (Kennedy, 2008:8). Improved conditions, that provide the circumstances where increase in food production occurred (Kennedy, 2008:8). No human is therefore so perfectly satisfied argues Adam Smith (1776:341), that he is without any wish of alteration or improvement of any kind. Most men better their conditions by augmenting their fortune by savings and accumulating their capital. In the greater part of men, taking the whole course of their life at an average, argues Adam Smith (1776:341, 345, 405, 540), the principle of frugality seems not only to predominate, but to predominate very greatly.

Adam Smith (1776:345) underlines the significance of his conclusion that a person's effort to better a person's own conditions of living is the driving motivation by adding that:

It is this effort, protected by law and allowed liberty than human's may exert itself in the manner that is most advantageous which has maintained the progress of England towards opulence and improvement in all former times and which it is to be hoped will do so in all future times.

Therefore, the tenets of policies and behaviour of conduct that interfere with the natural inclinations of people, including the strong impulse to better themselves and by misdirecting such impulses, undermines the natural path of economic growth through commerce (Kennedy, 2008:188), argues Adam Smith. He also tied the system of justice to a societies mode of subsistence which was shared by most age theories of human social evolution (Kennedy, 2008:65). This suggest that the search for new modes of subsistence followed population growth, but population growth was as likely to follows the discovery and the spread of a new techniques for making an existing mode of subsistence more efficient or the discovering of a new mode of subsistence (Kennedy, 2008:66). Adam Smith therefore concluded that,

the survival, had to be among the most basic, even if it was the only rule enforced by the group [society]. The urge to live and avoid death needs no rational process of prior thought; all animals share it without thinking about it (Smith, 1759:87).

Thus, the innate propensity of humankind to preserve and procreate is the driving force to search for better conditions of living. This natural law of creation ought to be encouraged and protected as a fundamental right of liberty.

PRINCIPLE:2 THE INNATE HUMAN PROPENSITY TO PRODUCE A SURPLUS OVER SUBSISTENCE, DRIVEN BY INGENUITY, SHOULD NOT TO BE RESTRAINED, AS IT GIVES RISE TO WEALTH AND PROSPERITY

Following an individual's own ingenuity together with the drive to better living conditions, each person produces a greater quantity of output. Since every person is in exactly the same situation of producing a surplus output well beyond that person's own needs, each person exchanges the money from the person's wages for the items selected from the surplus outputs produced by diverse other persons [each according to his labour speciality] (Kennedy, 2008:103).

It is therefore the existence of surplus output beyond their own needs that constitutes the essential difference between rude and commercial societies, which would have seemed an odd arrangement to hunters, who had the inclination or took the time only to produce what they needed to survive and no more (Kennedy, 2008:103). Adam Smith founded his assertion, wrote Kennedy (2008:103) "that in general the exchange of products – or what eventually became the same thing, exchange of their money equivalent – spread's a general plenty.....through all the different ranks of society." During earlier societies, a very natural and gradual, yet within the confines of the rules (Adam Smith Lectures of Jurisprudence cited by Kennedy, 2008:149) process took place, whereby societies experienced the gradual, occasional and disperse production of surpluses of output, which led to the possibility of the discovery of simple divisions of labour and scope for human propensities to truck, barter and exchange (Kennedy, 2008:149). It is the production of an

increasing surplus that enabled populations of earlier societies to expand and crucially to divert a sizeable proportion of the surplus to the ruling elite for the construction of towns (and churches), arming of retainers and the apparatus of civil governments (Kennedy, 2008:149). “It was the appearance of a surplus over subsistence in shepherding and agriculture that marked the change in circumstance from the appearance of property, which at first created the opportunity for a richer minority to escape from the equality and limitations of low per capita subsistence” (Kennedy, 2008:256).

Throughout the ages, the appearance of a surplus over subsistence gave rise to the foremost and dominant characteristic of human social, moral and economic relationship, namely to truck, barter and exchange. Adam Smith (1776:25) argued that the propensity to truck, barter and exchange, together with the desire of bettering conditions of living, are innate to human nature. This propensity to exchange fuels the great wheel of circulation that caused the multiplication of surplus and the division of labour. People’s innate propensity to produce a surplus over subsistence, driven by his ingenuity, should therefore be encouraged as it gives rise to the creation of wealth and prosperity and fuel the economy which in turn allows the spreading of what Adam Smith referred to as opulence. This inherent quality of mind and character [disposition] is what Adam Smith (Meek *et al.*, 1983:351) “occasioned as the difference of genius rather the reverse.” In today’s modern, commercial age this appears still to be the case. Those among us who follow their ingenuity and create a surplus over their essential needs are the ones who prosper and enjoy the necessities and amusement of life more than others.

PRINCIPLE: 3 EACH PERSON HAS TO WORK TOWARDS THE WELLBEING OF SOCIETY. INDIVIDUAL WEALTH AND PROSPERITY ARE ONLY SUSTAINABLE WITHIN A SUSTAINABLE SOCIETY

A human’s desire to belong and live in a societal context [family or household] is innate to human nature. As such this propensity of humans is an essential part of natural law that gives order to nature. People’s propensity to live in societies and submit to societal laws and conventions has been recognized by Adam Smith as a centrepiece of human evolution, both socially, morally and economically. Adam Smith, like David Hume followed the Scottish philosophical tradition in asserting that humans by nature are creatures who could not live without society. The dependence of each other in society provides the foundation for the development of interactive human behaviour which is important in exchange of goods and the creation of opulence. It is therefore within societies where individuals began to endeavour to make their mutual wants intelligible to each other (Bryce, 1983:203). Likewise, it is in societies where individuals learn how to express themselves to get what they want besides using violence or domination behaviours (Kennedy, 2008:31). Furthermore, it is within a societal context that humans develop minimum conditions of behaviour and conduct (Kennedy, 2008:41) and it is within a societal context, that

society set ethical norms and principles that shape and guide individual economic behaviour and preferences. Ultimately it is from social pressures of living in society, that we judge the merits or demerits of our behaviour. (Kennedy, 2008:48). This has been the case from the most savage or rude state of being to the modern age. It would be easy to overlook this observation. Adam Smith (1759:110) in *The Theory of Moral Sentiments* expresses its importance by using the following metaphor. Suppose a person grew to adulthood without contact or communication with fellow members of the society, wrote Adam Smith (1759:110)

...under such circumstances a person could no more think of his own character, of the propriety or demerit of his own sentiments and conduct, or the beauty or deformity of his own mind, than of the beauty or deformity of his own face. Why not, he continues because he does not have a mirror to present them as his own view. But bring him into society and he is immediately provided with the mirror which he wanted before.

And the “mirror”, wrote Kennedy (2008:48),

in this sense is Adam Smith’s powerful metaphor for what living in society does to a person’s sense of character and beauty. Society mirrors our person, giving us feedback on what is and what is not acceptable in our behaviour. The people we live with show in their countenance and behaviour what they think of our behaviour and as children we notice when relatives approve and disapprove of our conduct and it is here that we first view the propriety and impropriety of our own passion.

But the “man outside society” wrote Adam Smith (1759:110) “whatever are the objects of what pleases or hurts him occupies his whole attention and his passionate reactions would scarce ever be the objects of his thoughts.” This nature of humans is very important for the creation of wealth and propensity, as it is within a societal context that human beings express their ingenuity, follow a particular division of labour and consequently rely on others to meet their basic necessities and amusement that a person cannot provide themselves. It is therefore incumbent upon each person in society to work towards the wellbeing of society as individual wealth and propensity is only sustainable within a sustainable society. Likewise, those who pursue only their selfish desires would find themselves on the outskirts of society and be consumed by the objects of his desires and thoughts.

PRINCIPLE: 4 SELF-INTEREST ACTION SHOULD BE PURSUED IN A MANNER THAT ALSO ADVANCE THE RIGHTS AND ABILITIES OF OTHERS TO AN ADVANTAGEOUS OUTCOME AND BY DOING SO UPHOLD THEIR DIGNITY

A central tenet of Adam Smith's exposition as to why some societies [and individuals] prosper and others less, is individual pursuit. With that is implied the pursuit for personal gain as the driver of economic behaviour and preferences. Self-interest action is innate to human behaviour and in its most rudimentary nature is the driver that help humans to survive, preserve and procreate.

The pursuit of self-interest actions, as many refer to as self-interest, is perhaps the single most misconstrued conception of Adam Smith's analysis of the nature and causes of wealth. What Adam Smith, initially expressed as a mere observation of the human conduct at the time, have been taken out of context for reasons as many as there are proponents of the Disposition of Self-interest. At the time, Adam Smith (1776:184) observed that "the rich and powerful are selfish in conduct and that the landlord's natural selfishness and rapacity served his own convenience and the gratification of his own vain and unsuitable desire and without knowing are led by an invisible hand to advance the interest of society". A Finnish economist at the time, construed this conduct to imply that humans seek their own gain (Kennedy,2008:219) and spontaneously tries to find the place and the trade in which they can best increase national gain. This inclination, according to Chydenius (cited by Kennedy, 2008:219) was so natural and necessary that all communities in the world were founded upon it. Accordingly, Adam Smith (Kennedy, 2008:217) observed that the main drivers of the economy at the time are the numberless, artificial and elegant appurtenances and contrivances by those who seek wealth for happiness and their self-deception into striving for greatness and riches, which they do from the principle of beauty that pleases the eye and the imagination in the fitness for purpose of their actions.

His observation highlights his common theme about 18th century Europe and the special interest groups that sought political and legal powers to enhance their interests at the expense of the public. At no time did Adam Smith argue that self-interest action is always benign. He never dodged the blemishes to the happy picture given by many modern tutors of Adam Smith allegedly benign model caused by people pursuing their self-interest (Kennedy, 2008:162). In fact, Adam Smith's summary judgement of the conduct of the rich and elite at the time, wrote Kennedy (2008:88) drips with contempt when Adam Smith (1776:418), expressed his dismay by saying "all for ourselves and nothing for other people, seems, in every age of the world, to have been the vile maxim of the master of humankind." Adam Smith, wrote Kennedy (2008:223) "was not party to the idea that self-interest actions were always socially benign." Adam Smith's observation "was not a generalized explanation of all unintended consequences, but a partial one and it acts in this, as in many other cases but not in all cases" (Smith, 1776:456). It was not a universal benign rule

for the market, requiring Adam Smith to have stated, “in this, as in all other cases” (Kennedy, 2008:223). The notion that self-interest action is the only driver or rationale for individual economic behaviour and preferences need to be contextualized. This is a conditional proposition by Adam Smith with great historic importance and discovered in practice deep in pre-history and not through rational theory. (Kennedy, 2008:111)

Voluntary exchange wrote Kennedy (2008:112) that is coercion free is the basis of the market mechanism and not self-interest action. Both parties that are involved in exchange engage in exchange not because we like or love one another (though it is advantages) but because we want something from each other. Our motive is indeed based on our self-interest, but that does not imply that we ought to act selfishly and only from self-love. In terms of Adam Smith’s conditional proposition, fair exchange is based upon consequential valuation (or terms of exchange) of what is received and exchanged in return. Though neither party is selflessly impartial at the start of the exchange process, it implies that consensual exchange transforms selfishness into a mutually consensual and reciprocal conduct or behaviour. Fair exchange integrates the essential linkage in what Adam Smith (1759:86) described as “a mercenary exchange of good offices according to an agreed valuation.” Kennedy (2008:113) argue that, “the market mechanism is the necessary means by which people, who need have no cares for each other, engage in peaceful transactions to secure each other’s cooperation.”

Wanting something for ourselves is indeed selfish, yet we all (excluding saints) on occasion want things we do not have, hence we all have selfish wants. That is a fact, which does not mean that we are not nice persons. It is most certainly selfish and not nice, however, to demand that other supply us with what we want without offering to give them something in return what they want. (Kennedy, 2008:112). Clearly exchange [“commerce”] as a process will only be sustainable and effective if parties contracting, agree to a common solution or value in exchange. This would imply that the interest in the other contracting party ought to be more than “coaxing and courting” (Kennedy, 2008:111). Adam Smith’s *classical exchange model* accentuate therefore that neither benevolence nor selfish interest are efficient drivers of economic decisions, but rather the advantageous or favourable outcome of all parties that are exchanging. We ought therefore to work towards each other’s interest. Adam Smith’s (1776:27) most famous statement in this regard shed more light on the two-sided sword:

It is not from the benevolence of the butcher, the brewer or the baker, that we expect our dinner, but from their regard to their own interest. We address ourselves, not to their humanity, but to their self-love and never talk to them of our necessities but of their advantages.

This famous quote has regrettably been misread many times by those who asserts that the quote implies that a person purely acts in self-interest and from the necessities of their own advantage at all times. Misreading Adam Smith's quote is to say that humans are driven by self-interest without regard for the bargaining process that intervenes between the clash of the passions initiating the interaction [commonly, at least two solutions are proposed for every bargaining problem] and the mediated outcome to which the parties might agree to a single solution. (Kennedy, 2008:110-111). The correct interpretation is rather one that acknowledge that all people experience self-love or self-interest and are accordingly motivated. But to achieve an agreeable outcome, the parties must modify their self-love to find an outcome agreeable to the other parties too. (Kennedy, 2008:11). This is to say that just as I must go beyond my selfishness by offering you some of what you want, you must go beyond yours too. We indeed mediate from our self-interest, yet with a due regard for the interest of the contracting party and the parties desire for an advantageous outcome (Kennedy, 2008:113). *The Classical exchange model* of Adam Smith is therefore reliant upon a fair and sustainable balance between the following behavioural traits: self-centredness; other centeredness; reciprocity and duty

I reflect on these exchange ethical behaviours in subsequent paragraphs. Suffice to say at this stage, that Adam Smith's assertion is that to achieve a balance between these inherent contradictories yet complimentary traits, people's behaviour is guided by an invisible hand which implies that humans have to continuously referred to, what Adam Smith called *The Impartial Spectator*. I deal with these very important elements of the market model in the final segment. Self-interest action can therefore only be a driver of economic behaviour and preferences if the two fundamental principles of reciprocity and kinship that are innate in human behaviour from the beginning of creation, are upheld. With the first principle, it is implied that my self-interest action may not limit the right and ability of others to be creative, express their ingenuity and right to a fair exchange of their entitlements (labour, property etc.). Secondly, that the second principle of kinship is upheld, which implies that my self-interest actions may not impact negatively on the dignity of others.

PRINCIPLE: 5 TO SATISFY YOUR OWN INTEREST YOU NEED TO ADDRESS THE INTEREST OF OTHERS

Adam Smith proposed (Meek *et al.*, 1983:493) "that man in civilized societies stand at all times in need of the cooperation and assistance of a great multitudes, while his whole life is scarce sufficient to gain the friendship of a few persons." Humans, in this sense stand in near total dependence on other humans, in contrast to the mature self-sufficiency of most other animals who do not have occasion for the assistance of their kind. (Kennedy, 2008:109), Kennedy (2008:110) refer to this constant need of assistance from other human beings and refers to what Adam Smith regards as the permanent lifelong assistance that we all need to subsist. This mutual

dependence of humankind is firmly entrenched in our modes of subsistence or quality of life, though this transition according to Adam Smith was not smooth or necessary always beneficial over the ages. Something that is not unique to humans. It therefore follows that humans cannot live by self-interest alone as we stand at all times in need of the cooperation and assistance of great multitudes. This implies that our actions or process of working together have to be such that the same end is achieved.

Yet, Adam Smith asserts from his deduction over the ages, that it would be in vain to rely on the benevolence of fellow humans. To find an appropriate response Smith (1776:26) says that “we as humans have to understand that we are dependent on a permanent lifelong assistance of others and ought to be other-centred rather than to be at all time self-centred.” In fact, the argument goes that a dependent person would more likely prevail and achieve an agreeable quality of life (mode of subsistence) by modifying his self-interest and recognize the interest of others. To be other-centred implies to be caring for others and in so doing ensure that my interest is cared for. Differently said, another centres approach to exchange implies that to satisfy my own interest, I need to address the interest of others. Therefore, we have to serve the interest of each other.

Adam Smith taught in his *Lectures on Jurisprudence* (Meek *et al.*, 1983:307) that to be other-centred does not imply mere coaxing and courting, but a genuine and real commitment to an advantageous outcome in exchange of goods and services also for the other contracting party. As Adam Smith says, “mere love is not sufficient for it, till I apply in some way my mind to the self-love of the other party” (Meek *et al.*,1983:347). Within this context, Adam Smith’s (1776:27) famous quote of the benevolence of the butcher ought to be interpreted differently.

It is therefore not from the “benevolence of the butcher that [I] expect my dinner. I never talk to them of our necessities but of their advantages.” This is a other-centred approach. But, does it imply that the interest or necessities of the Butcher rank privy over my need for a dinner? The answer is an unequivocal no. It is rather a reciprocal relationship whereby both parties have a genuine regard for the interest of the other. Before I reflect on the important principle of reciprocity let us reflect on Adam Smith’s assertion that it is not advantageous for one’s own advancement to rely in the benevolence of others.

**PRINCIPLE:6 IT IS NOT ADVANTAGEOUS FOR ONE’S OWN ADVANCEMENT TO
RELY ON THE BENEVOLENCE OF OTHERS**

Though a person is in constant need of the assistance from other human beings, it is in vain to rely on the benevolence of others, other than in emergency and then only occasionally (Kennedy, 2008:109). Adam Smith’s argument is that “the generosity of people towards their fellows and the

occasional help for those in need” (ed. Meek, 1983:493) “is but a temporary or an occasional relief.” Adam Smith (Meek *et al.*, 1983:493) further said that “No man, but a beggar depends on benevolence and even they should die in a week were their entire dependence upon it.” The argument of Adam Smith (1776:27) is quite clear from his famous Butcher-argument when he says, “that it is not from the benevolence of the butcher, the brewer, or the baker, that we expect our dinner.” Though it is implied by him that the parties ought to be other-centred and have a genuine and real interest in the necessities and advantages of the other it does not imply that it ought to be at the cost of your own wellbeing and your own necessities and advantages. Though both parties ought to exchange in good nature and kind-heartedness, the process of exchange, ought to be rather reciprocal or as the word implies, the exchange should be corresponding and correlative by giving and receiving. It is therefore not useful, as Adam Smith argues, to rely in exchange on the other party’s benevolence. This would convolute the real reciprocal exchange relationship and constitute an unrealistic expectation of the other party to simply concede in good kindness. From a certain perspective, one may even be quite selfish to rely on the benevolence of others as one expects an unequal and therefore an unfair exchange where it is expected of one party to give more than he may expect in return.

PRINCIPLE:7 TO SATISFY YOUR OWN INTEREST YOU NEED TO EXCHANGE THINGS WITH OTHERS FOR THE MUTUAL BENEFIT

To work towards a mutual beneficial exchange of things, parties ought to follow a reciprocational behaviour to the full extent possible. Reciprocity as a human behaviour, is indeed innate and preceded society from the rudest to the most advanced commercial society. Reciprocity even preceded the propensity in human nature to what Adam Smith (1776:25) referred to as “truck, barter and exchange.” In support of Adam Smith’s contention wrote Kennedy (2008:108), “reciprocation behaviour preceded commercial society and was practised in hunter-gatherer societies, which of many millennia was the only mode of subsistence over the whole earth.” Reciprocation exchange have two dimensions. In the one dimension, it is *separated* in time and in the other, it is intrinsic or inseparable of the actual exchange.

- ***Separated in Time***

Kennedy (2008:108) cited Robin Dunbar (2005) to explain this dimension of reciprocal exchange. The work by Robin Dunbar and his team on gossip among people links the evolutionary role that gossip performs to a similar social role that grooming plays along primates. Dunbar showed that while grooming is mainly enforced by hierarchical dominance, there is also a significant element of discretionary grooming occurring within it. Chimps also groom a selected few other who reciprocate by grooming them and of importance, they avoid grooming other who at some time in the past did not reciprocate grooming they had received. In short, reciprocation is an exchange transaction, not entirely facetiously paraphrased by the saying you scratch my back and I will

scratch yours. Reciprocal exchange that is separate in time is not explicitly completed and simultaneously. It is rather a matter of you groom me today, I shall groom you later

- ***Inseparable in Time***

Reciprocal exchange that is inseparable in time is simultaneously and complete the exchange without a time delayed-expectation implied. In Adam Smith's conditional proposition (Meek *et al.*, 1983:219). Smith argues that a person, in the same manner, works on the self-love of the person's fellows, by setting before them a sufficient temptation to get what the person wants, the language being, give me what I want, and you shall have what you want. Though many may argue that a reciprocal exchange also implies one person giving the other what they want and vice versa, this does not negate the relevance of the reciprocity implied in the exchange.

Essentially and I believe that what underlies all reciprocal exchange behaviours, is that exchange is more than conflict and coercion-driven selfish desires, passions or assertions. Reciprocal exchange truly provides a viable system of exchange that is reflective of the cooperation and assistance of the great multitudes that we are reliant upon. Reciprocal exchange behaviour is therefore deep in pre-history and ought to be the gold standard of fair and equitable exchange. In attainment of this gold standard of exchange, we ought to uphold three ethical principles of conduct. Firstly, to have a cognitive awareness of the consequential applied effect of my self-interest decisions and passions. Secondly, to show a genuine fellow feeling for the desires and passions of others and a real indignation at their injuries and thirdly to search for a concord of affection to bring harmony and a quicker resolution of the terms of exchange.

PRINCIPLE:8 A COGNITIVE AWARENESS OF THE CONSEQUENTIAL APPLIED EFFECT OF MY SELF-INTEREST MOTIVATED DECISIONS, PASSIONS AND ACTIONS ARE REQUIRED TO ACHIEVE AN AGREED VALUATION OR A MUTUALLY ADVANTAGEOUS OUTCOME

Two selfish persons attempting an exchange, moderate through cognitive awareness and mindfulness, their selfishness down to what is acceptable and through conditional propositions they transmit their selfishness into an agreed valuation which definitely is not an expression of their otherwise irreconcilable selfishness. (Kennedy, 2008:115). Through cognitive awareness of the consequential applied effect of their self-interest desires, passions and aversions, individuals are more receptive to the fairness of reducing their demands and increasing their offers in a give and get approach. What is called traded convergence prompts individual behaviour to be mindful of the consequences of their selfish pursuits and passions that each individual is equally entitled to. Fair exchange based on an agreed valuation or mutually beneficial outcome is ultimately the best means to ensure preservation of mutual liberty.

PRINCIPLE:9 SHOW A GENUINE FELLOW FEELING FOR THE DESIRES AND PASSIONS OF OTHERS AND A REAL INDIGNATION AT THEIR INJURIES AND UNCERTAINTIES

During the exchange process, underlying disputes, tones and tempers can be fraught. (Kennedy, 2008:114). People passionately express their passions, feel bitterly about their grievances, remember earlier bruising events and nurse deep hatreds for the verbal atrocities committed by the other party. (Kennedy, 2008:114). To reach a point where the sweetness and light of exchange manifest in an agreed valuation, requires cooperation and compromise. Enmity, wrote Kennedy (2008:114) “hinders, but not necessarily preclude agreement. The movement of the parties takes place by coercion or by the mutual experience of a feeling that the parties understand genuinely each other’s desires and passions and the indignation of the injuries for uncertainties.” In exchange, between members of society and between societies an agreed valuation is seldom prevalent at the initial stages. Appeasing valuations, apprehension and different expectations would require the movement of the parties from their original valuations apprehensions and expectations.

Adam Smith (1759:21) in *The Theory of Moral Sentiment* puts it this way:

If you have either no fellow feeling for the misfortunes I have met with, or more than bears any proportion to the grief which distracts me; or if you have no indignation at the injuries I have suffered, or none that bears any proportion to the resentment that transports me, we can no longer converse on these subjects. We become intolerable to one another. I can neither support your company, nor your mine. You are confounded by my violence and passion and I am enraged at your cold insensibility and want of feeling.

Adam Smith (1759:22) continues “to reflect on it this way, walkouts, denigrating rhetoric and angry threats cloud the air as people let loose their passions which, in the absence of empathy, distort their perceptions. Your solution threatens my future; mine threatens yours.” The bargainer become aware that only by lowering his passion to that pitch which the other party is capable of going along can he hope for a concord of affections as a prelude to the harmony flowing from an agreed valuation (Smith, 1759:22). And what is true for one party is true also for the other. Adam Smith (1759:22) suggests that the angry bargainer must flatten the sharpness of his natural tone, to reduce it to the harmony and concord with the emotion of those who are about him. However, what each feel is never exactly the same because they both view their own interest from different vantages, but by lowering expressions of their self-interest to make them more acceptable and to meet the other side’s movement from whence they started the discourse, both sides review their passionate (often extreme) stances, looking at them in some measure with the eyes of the other

party (Kennedy, 2008:115). “This reflected passion”, wrote Adam Smith (1759:27) “is much weaker than the original one and it necessarily abates the violence of what he felt before the exchange.” We cannot get all what we want and by suppressing our selfish inclination to demand everything for nothing or little in return (Kennedy, 2008:115) always endeavour to bring down [their] passions to that pitch, which the other may be expected to go along with (Smith, 1759:222).“Trade convergence” wrote Kennedy (2008:115) prompted by Smithian conditional propositions,

brings the parties towards an agreed valuation which are the most powerful remedies for restoring the mind to its tranquillity, if at any time, it has unfortunately lost it, as well as the best preservations of that equal and happy temper, which is so necessary to self-satisfaction and enjoyment and which is so common among men of the world (Smith, 1759:23).

Thus, we can only succeed if we show a genuine fellow feeling for the desires and passions of other and a real indignation of their injuries and uncertainties.

PRINCIPLE: 10 SELFISH CONDUCT IS NOT CONDUCTIVE TO FAIR EXCHANGE. HOWEVER, TO SEARCH FOR A CONCORD OF AFFECTION, BRINGS HARMONY AND A QUICKER RESOLUTION OF THE TERMS OF EXCHANGE

As stated before, central to the market model is what Adam Smith (1759:17) referred to as “an agreed valuation.” To reach an agreed valuation or a mutually accepted term of exchange requires cooperation, communication, empathy and a fellow feeling in the misfortunes, aspirations and apprehensions of others. An attitude that threaten the future of both parties due to a mutual lack of empathy distort perceptions and create a divide that make fair exchange less possible. Adam Smith (1759:22) therefore observed that parties that wish for a fair exchange ought to lower their passion to that pitch which the other party is capable of going along with. Only then can there be hope for a concord of the affections as a prelude to the harmony flowing from an agreed valuation or a fair term of exchange. Adam Smith (1759:22) suggests that parties engaged in exchange ought to realize that there are indeed different solutions and what is true for one party is true also for the other. In the event of opposing views flaring up in an angry or violent manner, Smith (1759:22) suggests that the angry party must flatten the sharpness of his natural tone, to reduce it to the harmony and concord with the emotions who are about him. What each feel is never exactly the same because they both view their own interest from different vantages but lowering expectations of their self-interest to be more acceptable and to meet the other side’s movement from whence they started the discourse, both sides review their passionate (often extreme) stances, looking at them in some measure with the eyes of the other party.

“The reflected passion....” argues Adam Smith (1759:22-3),

is much weaker than the original one and it necessarily abates the violence of what he felt before the exchange. Parties in exchange, in short, cannot get all they want and by suppressing their selfish inclination to demand everything for nothing or little in return, always endeavour to bring down [their] passions to that pitch which the [other bargainer] may be expected to go along with.

Adam Smith (1759:23) refers to this process of trade convergence as a bargaining dance through which the parties approach each other’s positions by trading reciprocal movement, including trading across issues where I move on another one that is important to me.

Kennedy (2008:115) argues that Adam Smith

taught the conditional proposition over two hundred years before it entered today’s negotiation literature is remarkable, but not quite as remarkable as it is lying like the labourers’ common coat, virtually ignored and unnoticed for so long.

According to Adam Smith (1759:22), societies that value and with tenacity apply the principle of conditional proposition in their daily exchange of good and service tend to prosper more than those who cloud the air of exchange by walkabouts, denigrating rhetoric and angry threats. Traded convergence, prompted by conditional propositions brings parties together and exchange prosper and flourish. Selfish conduct disturbs the tranquillity of mind and flair up tempers and delay reaching an agreed valuations and mutually accepted terms of exchange. It therefore follows that selfish conduct is not conducive to fair exchange. However, to search for a concord of affection brings harmony and a quicker resolution of the terms of exchange.

**PRINCIPLE:11 A BALANCE BETWEEN PRIVATE INTEREST AND PUBLIC DUTY
 OUGHT TO BE DELIBERATELY PURSUED WITH THE HIGHEST
 DEGREE OF RATIONALITY**

Adam Smith (1759:16-275) recognized the patent contradiction between reality on the ground and the construct of his model. For instance, his discussion on perfect liberty in wages and profit markets, shows the significance of Adam Smith’s use of the moral philosopher’s conception of perfect liberty in his analysis of the nature and causes of opulence (Kennedy, 2008:137). In a theoretical-moral construct, perfect liberty implies that private interest and public interest are in equilibrium. Because perfect liberty does not exist in practice (in Adam Smith’s case it was a philosophical construct – Kennedy, 2008:137), he purely implies that the causes that effect the equilibrium of liberty reduce the rate of the spread of opulence than would otherwise have occurred. Differently said, if the government introduce a fix wage rate, the changes in equilibrium

would cause that the productivity would decrease and the spread of opulence reduced. Likewise, if labour productivity rise, say due to improved techniques, then in a state of equal equilibrium in liberty, the government would experience an increase in say company taxes [all else being equal] which would cause a rise in government productivity. But due to individual or societal preferences, desires and aversions the world is not so governed that private and social interest always coincide. The society or economy are neither managed in a manner that in practice, rights, responsibilities, duty and self-interest coincide. Nor is it a correct deduction from the Principles of Economics that enlightened self-interest always operates in the public interest (Kennedy, 2008:249). Keynes (cited by Kennedy, 2008:249) is cited as saying that more often individuals acting separately to promote their own ends are too ignorant or too weak to attain even these. Whichever way, an intervention may be required to bring an even greater balance between private and public interest, rights, responsibilities, or duty and self-interest. The answer does not, at least in my view, lie between the two absolute principles of *laissez-faire* nor absolute state socialism

In Adam Smith's *classical exchange model*, he follows rather a dual approach by stating that the individuals primary concern is the rational pursuit of his private concerns and interest (Kennedy, 2008:251). Adam Smith (1759:341-2) then continue in asserting that "man by nature is a creature who cannot live without society" and therefore "could not live without laws." This assertion implies that individual persons ought to deliberately and within the context of rationalism uphold public [*societal* – my emphasis] interest when pursuing his private concerns and interest. Rather than, relying on the theoretical construct of perfect liberty that imply perfect market conditions. This dual approach is also evident in Adam Smith's assertion that government and not markets notwithstanding the terms of the theoretical construct of natural liberty: has not only the responsibility to uphold justice as implied in natural liberty but also deliberately and rationally pursue a large-state agenda to promote the interest of individual persons and society at large. Adam Smith's application of natural law is therefore not a liberation agenda neither is it a *laissez-faire* approach and a big government agenda (Kennedy, 2008:251). His notion of natural liberty implies therefore that both private and societal interest ought to guide the conduct of both private individuals as well as public institutions. Natural liberty is therefore an ideal state in which private and public interest are in equilibrium. As a benchmark, both individual members of society as well as societal [public] institutions have to deliberately and rationally work towards a state of greatest liberty. A state whereby the greatest balance between rights and responsibilities or duty and self-interest are attained. Because perfect liberty is a hypothetical state, the reality is that preferences and restraint or differently put self-interest and duty are not in a state of equilibrium. If things are left to follow contrary actions or policies imposed by fiat or by writ of government, acting either on its own accord or on the influence of special interest groups, or powerful individuals, discord would follow (Kennedy, 2008:251-252). To work towards the benchmark of perfect liberty a deliberate

and rational effort by individual persons and societal institutions are required to balance duty and self-interest and societal and private interest.

PRINCIPLE:12 CREATIVITY AND INGENUITY OUGHT TO BE ENCOURAGED AND TREASURED OVER IDLENESS AND UNPRODUCTIVENESS

The relative rapid 500-year change from primitive market-commerce to the 19th century capitalist production and consumption was arguably due to increasingly rapid changes in science, technology and knowledge and a further division of labour and specialization which continued today (Kennedy, 2008:68). This has been precipitated by a long drawn out process that commenced from earlier ages of time when people developed arts and skills in the production of a range of produce suitable to their environments, enabling some persons to cultivate different kinds of produce, other to supply different kinds of value-added supply such as household carpentry products, saddles, forges, ploughs and so on. People, said Adam Smith “began to exchange with one another their surplus over what was necessary for their support and get in exchange the commodities they stood in need of and did not produce themselves”, linking the ages of humankind to the exchange principle to explain ancient human history (Kennedy, 2008:67)

What began as an occasional exchange between individuals within the same society would become in time an exchange between individuals of different nations and with this development at last the Age of Commerce arises (Meek *et al.*, 1983: 15-16). With that came even greater specialization or a division of labour among individual members and even societies that cause the gap between the hunter-gatherer’s economies of North America and the commercial societies in Europe (Kennedy, 2008:105). Initially, labour was considered as the source of value in exchange (Kennedy, 2008:118). In these circumstance, the richness or poorness of an individual depended on the labour they can command and what they can purchase with the products of their own labour (Kennedy, 2008:121). In rude societies in more particular everything they consumed were acquired by their labour (Kennedy, 2008:121) and everyman’s was rich or poor, according to the degree in which he can afford to enjoy the necessities, conveniences and amusement of human life (Smith, 1776:47) acquired by a person’s labour. The value of the labour that a person command and the value of consumption were therefore relational because, as Adam Smith argued, it was indeed by labour that whatever they consumed was originally purchased (by their toil and trouble) and its value to those who possessed it and who wanted to exchange it for some new productions was precisely equal to the quantity of labour which it can enable them to purchase or command (Smith, 1776:48). The reason being, wrote Adam Smith (1776:48) was that labour was the first price, the original purchase price that was paid for all things. Being the basis of value, the value of labour was therefore the golden key to greater opulence and Adam Smith (1776:99) therefore deducted from his observations that individual persons, with the comfortable

hope of bettering his conditions and of ending his days perhaps in ease and plenty, exerted the strength of his labour to the utmost. However, some workmen, wrote Adam Smith (1776:99), will indeed when they can earn in four days what will maintain them through the week and will be idle the other part. This, however, is by no means the case with the greater majority. Many (when they are liberally paid by the piece) are very apt to overwork themselves and to ruin their health and constitution in a few years. This observation of Adam Smith is still very much relevant for today's society in the advanced commercial age. In our society, (and probably the same kind must probably have taken place in its earliest and rudest periods according to Adam Smith (1776:65), allowance was paid for superior hardship and superior skills and those individuals prospered more. Today is no exception. Though labour is no longer the real [historical] measure of the exchangeable value of all commodities (as Adam Smith observed, 1776:48) for the greatest majority of our society, their toil and trouble and the value thereof, are the only value ["Revenue"] that a person command and the value of consumption of necessities, conveniences and amusement of human life [opulence] that a person may acquire. Within this context toil and trouble or hardships and ingenuity like in the earlier ages as today, takes on a highly significant meaning. In this context, hardship and ingenuity cause some to prosper more and enjoy the necessities of life more than those that are idle and unproductive. Those attributes are, like in earlier societies, even still today indeed empowering and liberating and the source of revenue for the majority of society. Today, our toil and trouble and then more pertinently the quality of creativity and ingenuity, provide the access to unimagined necessities, conveniences and amusement of life (Kennedy, 2008:121) and ought to be encouraged and treasured.

PRINCIPLE:13 EACH INDIVIDUAL IS ENTITLED TO PURSUE HIS INTEREST WITH GREAT AMBITION. HOWEVER, WE OUGHT NOT TO FOOLISHLY GIVE UP THE PLEASURE AND EASE OF LIFE IN PURSUIT OF SELFISH AMBITION AND RAPACITY

To understand the relativity of human ambition in pursuit of opulence, Adam Smith used a metaphor of the poor man's son in explaining what a useful deception in individual economic behaviour may be.

Adam Smith (1759:180-1) describes the tragedy of the "poor man's son whom heaven in its anger has visited with ambition, which causes him to devote himself for ever to the pursuit of wealth and greatness that is at all times in his power." At the time, he admired not so much his superior ease or pleasure which he enjoyed, as for the possession of numberless artificial and elegant contrivances for promoting the ease or pleasure. The young man did not imagine that he was really happier than others, but he did imagine that he possesses more means of happiness. "When the poor man's son reaches, old age" wrote Adam Smith, "reduced either by spleen or

disease, he curses ambition and vainly regrets giving up foolishly the pleasures and ease of his youth for what he acquired in pursuit of happiness. He realizes too”, says Adam Smith (1759:181)

that power and riches are enormous and opopose machines contrived to produce a few trifling conveniences to the body and in his melancholy elaboration of this splenetic philosophy and prosperity, before low spirits set in his ambition and optimism is transformed into admiration of the beauty of the palaces and economy of the great, because he believes that everything in them is adapted to promote their ease, to prevent their wants, to gratify their wishes and to amuse and entertain their most frivolous desires. It is only late, as a rich man, that he realizes that his happiness is ephemeral, lacking the satisfaction he strove for and not worth the anxiety, fear and sorrow to which he was exposed while acquiring his riches.

These contrasting perspectives Adam Smith (1759:182-3) argues, “run through society, reach all levels and affect individuals in all stages of the delusion.” In Adam Smith’s (1759:183) typical realistic deduction, he argues “that the striving in pursuit of such mirages are indeed widespread in society but then he says for society’s sake, it is well that these deceptions are widespread, because they rouse and keep in motion the industry of mankind.” It is this, Adam Smith (1759:183-4) said,

which first prompted them to cultivate the ground, to build houses, to found cities and common wealth’s and to invent and improve all the sciences and the arts, which enable and embellish human life; which have entirely changed the whole face of the globe, have turned the rude forests into agreeable and fertile plains and make the trackless and barren ocean a new fund of subsistence and the great high road of communication to the different nations of the earth.

Adam Smith indeed tolerate the selfishness and rapacity of the over ambitious person because of the consequential benefits for the labourers and the poor, who was a large group of particular interests to Adam Smith’s moral judgements. Adam Smith (1759:184) argues,

these delusions, for example, affect the proud and unfeeling landlords who views his extensive fields without a thought for the wants of his brethren. When looking at his fields and the harvest growing on them, you can almost hear him think Mine. All Mine!

Yet, he could not consume anything that he sees before him because of his capacity of his stomach bears no proportion to the immensity of his desires. Ultimately, the rich landlord has no preferences but to dispose of the surplus above his own extravagant desires in some manner, because he can do no other than distribute the surplus among all the thousand whom employ,

namely labourers who toil in the landlord's fields, who prepare in the nicest manner that little which he himself makes use of and who fit up the palace in which this little is to be consumed.

Because the landlord does not labour, he hires landless labourers to do everything for him in exchange for their receiving a share for their annual subsistence. Either way, the labourer's subsistence is maintained from the surplus produce of the land. The delusional ambition of the poor man's son and the Landlord is and for all intents and purposes remain part of human disposition and as such make a very valuable contribution in dealing with the plight of the labouring poor that make up the largest part of society. However, in Adam Smith's metaphor of the poor man's son, he explicitly cautions against an uncontrollable ambition in pursuit of wealth and greatness that sacrifice the real tranquillity that is at all times in his power. It is therefore good that each individual pursues his interest with great ambition but not to a degree where the pleasure and ease of life is sacrificed in pursuit of selfish ambition and rapacity. Indeed, a balancing act that requires a proverbial x-factor or mindfulness that in any context is exceptional, yet worth pursuing.

PRINCIPLE:14 EVERYONE, *INTER ALIA* LABOURERS, LANDLORDS, CAPITAL PROVIDERS AND INVENTORS OUGHT TO BE AFFORDED THE RIGHT TO ENJOY THE FRUITS OF THEIR LABOUR (CONTRIBUTION). BECAUSE IT WOULD MOST LIKELY ENCOURAGE THEM TO EXERT THEMSELVES TO BETTER THEIR CONDITIONS, STRIVE TO ACQUIRE MORE AND TO WORK TOWARDS A GREATER CONTRIBUTION

During the medieval times, the absence of the principle of *liberi commercii* was the cause that lords were taken aback and provoked by the efforts of the burghers [labourers and peasants] to better their conditions and enjoy the fruit of their labour. The animosity between Lord and Peasant prolong the agony of the peasants and has been a major inhibiting factor in creating wealth and spreading of opulence. Adam Smith strongly opposed this conduct. Adam Smith therefore declaimed that people who enjoy the fruits of their industry [labourer, landlord, capital provider, inventor] are likely to exert themselves to better their conditions and strive to acquire, in addition to their necessities, the conveniences and elegances of life. "Thus, establishing in the towns, the necessary ethos for commerce" (Kennedy, 2008:84) that caused the subsequent growth in the town-economies and the subsequent spreading of wealth among the landless peasants. This assertion by him became a very important tenet of *The Wealth of Nations*. In *The Wealth of Nations*, Adam Smith (1776:82) wrote, "In the original state of things which precedes both the approbation of land and the accumulation of stock, the whole produce of labour belongs to the labourer because he has neither landlord nor master to share with him." The last sentence is crucial to the difference in the labourer's ownership of his labour in rude society (Kennedy,

2008:124). Adam Smith uses the phrase “the whole produce of labour belongs to the labourer no less than three times”, wrote Kennedy (2008:124) and always in connection with the original, first age of hunting. “It is a simple fact” wrote Kennedy (2008:124) “of which there can be no quarrel in natural justice, that the hunter’s ownership of the product of his labour constituted his property” and was compensated accordingly. This obviously changed dramatically during the feudal period and the rise of landlords and the agricultural proletariat. Adam Smith, in his Lectures on Jurisprudence (Meek *et al.*, 1983: 8-9) wrote “when trafficking with those who are willing to deal with him (*liberi commercii*) all persons have a natural right of ownership in their industry, labour or amusement (cited by Kennedy, 2008:124) “when not hurtful to other persons or good” (Hutcheson, 1968[1755]:296-4). The landlord continues to own his land – he rents it and its products earn his rent. The labourers does not sell his body to others – he passes over the products to earn his wages and the undertaker does not pass ownership of his capital – he uses it to facilitate production of the product to earn his advances (Kennedy, 2008:125). Adam Smith accommodated remuneration of the multi-factors involved, making some progress in analytical economies, which he shares in varying degrees with near contemporaries (Kennedy, 2008:129). With this, he asserted explicitly, that labour was not the sole source of value in a commercial exchange economy (Kennedy, 2008:129). Adam Smith (1776:69) brought the elements together and found in the prices of all commodities that all three contributing owners shared revenue among themselves as wages of their labour, the profit of their stock, or the rent of their land making wages, profit and rent the three original sources of all revenue as well as of all exchangeable value. It therefore stands to be argued that labourers, landlords, capital providers and inventors, inter alia, ought to be afforded the right to enjoy the fruits of their labour [fair contribution] because it would most likely encourage them to exert themselves to better their conditions, strive to acquire more and work towards a greater contribution.

PRINCIPLE:15 WE OUGHT TO BEHAVE AT ALL TIMES IN A MANNER THAT PROMOTE AND ENCOURAGE A FAIR REWARD THAT IS PROPORTIONAL TO THE QUANTUM BENEFIT OF A CERTAIN TASK TO SOCIETY

Central to Adam Smith’s (1776:719) market model is fair reward. Fair reward, either in the form of a profit or a remuneration, according to him, should follow in consequence of a certain performance and ought to be proportional to the diligence employed in performing certain tasks. In determining the quantum of a fair reward, utility and not principle ought to be the criteria of an award. It is therefore implied that the consequential benefit for society should be the basis of

assessment. As an individual person may either be an employer, employee or self-employed, we ought to behave at all times in a manner that promote, encourage and demand fair reward that is proportional to the quantum benefit for society.

PRINCIPLE:16 THE IMPLIED AUTHORITY AND THE RIGHT OF UTILITY OF PROPERTY, WHETHER NATURAL OR ACQUIRED BY OTHERS OUGHT TO BE UPHELD AS A RECIPROCAL RIGHT OF ONESELF

The acquisition and right of use of property from the earlier Age of Shepherds have been a growth-inducing [advancing] fortune, that not only cause the introduction of new modes of subsistence but also unequal power and wealth. With the advent of agriculture, the twin notions of government and property slowly emerged (Kennedy, 2008:44) and provide a solid basis for the expansion of economic property in certain societies more so than in others. The rights acquired through property extend beyond the mere ownership of land. It is about rights of ownership both natural and acquired. Of our natural rights nobody doubts that a person has a right to have his body free from injury and his liberty free from infringement unless there is proper cause (Kennedy, 2008:10). Our acquired rights are less obvious. Justice enforces acquired property rights and protects natural rights. But enforcement is not enough, for justice cannot rely entirely on the terrors of enforcement to cower determined and persistent challenges to other people's rights, even where a sufficiency of means and the will to use them are available (Kennedy, 2008:70). It requires two other principles defined by Adam Smith to ensure majority compliance with and acceptance of the laws of civil society, namely authority and utility (Kennedy, 2008:70). To ensure protection of property rights, whether natural or acquired each individual ought to respect a person authority vested in natural and acquired rights i.e. authority over a person's body or invention. Likewise, an individual ought to respect the right of another person to utilize his/her property to each person's advantage unless it harms others. By respecting the utility right of other individuals, an individual's behaviour, should not infringe on the utility rights of others by unlawful utilization of a person's property either tacit or implied. With the acquisition of property, whether natural or acquired, human conditions such as envy, malice or resentment develop. This according to Adam Smith (1776:709), can prompt one human to injure another in his person, reputation or estate. The same implies to communal property i.e. government land, but also the environment owned by all of society. Protecting of property rights are therefore fundamental to liberty and provided a cohesiveness in society and confidence in the mutual conduct of individuals which is essential for the prosperity and growth of society. Ownership of the bounties of nature, though it has and will continue to change the distribution of titles to shares (Kennedy, 2008:125) ought therefore to be upheld by law; conventions and jurisprudence as the essential role and scope of government. But of even greater importance is that individual behaviour should be such that the authority acquired over property and the right of utility ought to be protected in the absence of the owner or otherwise

as a reciprocal right of yourself. This implies that we ought to respect and protect the property rights, either natural or acquired of others with the same diligence and prudence that we expect in return.

PRINCIPLE:17 THE TEMPTATION TO PRODIGALITY OUGHT TO BE RESISTED AND BY BEING FRUGAL WITH MONEY AND OTHER RESOURCES ONE OUGHT RATHER TO ACCUMULATE SAVINGS (SURPLUS REVENUE)

Adam Smith's (1776:660) *classical exchange model* is based on the premise that consumption is the sole end and purpose of all production. However, this does not imply that in the most basic terms, a person's consumption should be equal in value to a person's production. In more contemporary terms, the notion is that a person ought to produce more than he consumes. The reason being, argues Adam Smith (1776:278), is that "the accumulation of stock [surplus income] must, in the nature of things, be previous to the division of labour" which is driving the creation and spreading of opulence. He therefore credited the emergence of primitive capital from ordinary surpluses of daily labour. Adam Smith's interest in capital as the prelude to the division of labour, itself driven by the propensity to exchange, lay in the decisive break it represented from the rudest state of human society towards the initial division of labour that set some humans on the long road to opulence (Kennedy, 2008:153). In a frugal society, resources for advances are set aside and stored up somewhere (Smith, 1776:276). This process is the original capital of society. Those able to harbour stock carefully for the contingencies by the accidents of fortune or from deliberate foresight acquired the services of those searching for work by providing them with advances (Kennedy, 2008:155).

These transactions [in contemporary terms capital formation, investment and employment] were the greatest importance to a society's future development. Where a person saves from his family's consumption and used his stock to fund his labour within the necessary interval [days in the case of scavenging / hunting / scouting; months in the case of shepherding and settled farming], his claims to the product of his labours were unambiguous. It was his labour and his capital stock. From this point on, a different [unequal] society [individual household / individual persons] began to emerge (Kennedy, 2008:155). The origins of capital outlined by Adam Smith were of the utmost importance to the coherent development of an economy.

Where the frugal behaviour of a society cause the saving of consumption and the use of the capital stock to fund employment by the giving of advance, growth became possible; absent these arrangements, subsistence modes remained isolated and primitive (Kennedy, 2008:155).

The quantity of stock argues Adam Smith (cited by Kennedy, 2008:154) “is a limiting factor in the expansion of employment and therefore growth. But when a household [or individual] consumes all its stock then growth is retarded” “This is the start,” Adam Smith (1776:279) asserts, “of the greater part of the labouring (sic) poor in all centuries.” Most labourers had nothing left from their scarce means. Frugality mitigated their destitution, as those who could not resist temptations to prodigality were reminded (Kennedy, 2008:154). In more contemporary societies, the same basic truth is still underlying capital formation that drives investment, equity and other forms of savings and investment. Frugal investment of surplus output and the employment of productive labour fuel the wheel of circulation. But it all start with savings of consumption [“Revenue”]. Adam Smith (1776:340) therefore, in his analysis, keeps returning to the same theme – “every prodigal appears to be a public enemy and every frugal man a public benefactor.”

Frugality, as a quality of being economical with money is in today’s consumer driven society of even greater importance. Prodigality or the excessive or wasteful spending, often with an eye towards the luxuries, in many societies today is contrary to Adam Smith’s optimistic note (See paragraph to follow), the cause of stagnation, hyperinflation and depressed economic conditions. Adam Smith (1776:341) asserts that,

great nations cannot be much affected either by prodigality or by the misconduct of individuals, serious as these behaviours may be individually, because the profusion or imprudence of some beings always more than compensated by the frugality and good conduct of others.

However, he has a proviso, namely that “for the compensatory force (“frugality”) to be strong enough to overcome prodigality and misconduct it must be propelled by fairly strong and persistent pressure throughout society” (Smith, 1776:341). This in my view is not very evident, especially in less developed societies as the consumer-driven economies notwithstanding its many advantages, depriving the liberty of the wage earner through the relentless articulation of the prodigal passion for present enjoyment. The passion for present enjoyment, according to Adam Smith (1776:341), is sometimes violent and very difficult to be restrained and can fortunately be restrained or licensed by the principle which prompts us to save namely the lifelong desire to better our conditions of living. Ultimately to overcome prodigality and follow a frugal lifestyle one has to live a simple life within one’s means though with a strong passion to better one’s conditions of living without being reliant on frivolous gratification. The key to this noble life is to resist temptations to prodigality and by being frugal with money and other resources to one’s disposal and accumulated savings.

PRINCIPLE:18 WE OUGHT TO ACT IN A PRUDENT MANNER WITH THE INTENT TO PRODUCE THE GREATEST VALUE AND RENDER THE GREATEST REVENUE TO SOCIETY AS WELL AS FOR PERSONAL GAIN

Through the principles of common prudence, wrote Adam Smith (1776:295)

every individual, though it does not always govern the conduct of every individual, ought to endeavour as much as he can both to employ his capital in the support of domestic industry and so direct that industry that it produces the greatest value.

Likewise, every individual ought to labour to render the annual revenue of society so great as he can (Kennedy, 2008:220). In Adam Smith's corpus, the underlying principle that guide individual prudence whereby individuals intend unintentionally prompted the public interest, is the invisible hand. Though in a very limited context, he coins the helping hand to find a link between individual risk aversion and social benefit. The following statement by Adam Smith (1776:456) is very often cited in my view without context to explain his metaphor of the invisible hand:

He [merchant] generally indeed, neither intends to promote the public interest, nor knows how much he is promoting it. By preferring the support of domestic to that of foreign industry, he intend only his own security; and by directing that industry in such a manner and its produce may be of the greatest value, he intends only his gain and he is in this, as in many other cases, led by an invisible hand to promote an end which was not part of his intention.

Kennedy (2008:220) therefore ask the question "Should we interpret Adam Smith to suggest that an individual's motivations are redundant or too weak to affect and direct his behaviour that he needs, to coin a phrase, a helping hand." Kennedy (2008:220) then argues "Surely not! Needing a helping hand makes redundant this explanation of the merchant's risk aversion to losing sight of his capital in the foreign trade of consumption." In my perspective what this implies, is that Adam Smith's metaphor of the helping hand is essentially that both the Merchant and Labourer act intentionally with an expectation of something that is presently invisible, to manifest in time. It is indeed the expectation of something beneficial resulting from the merchants or labourers intentional acts, that is helping the Merchant and Labourer overcome their inherent risk aversion and to venture into something that at the time of the act, is only an expectation or a strong belief that something good will happen. The principle of common prudence in my view, taking into consideration Adam Smith's entire corpus of work, is that the Merchant and Labourer intentionally take certain action and endeavours, though with a degree of caution with the expectation of something good transpires for his own gain as well as having a larger social benefit.

The now famous statement of Adam Smith in which he introduced the *invisible hand* as the helping hand guiding the Merchant and Labourer to be prudent in their conduct should hermeneutically be interpreted that the merchant nor the labourer intends only his own gain. His corpus, if hermeneutically analysed accentuate that neither benevolence nor selfish interest [own gain] are efficient drivers of economic behaviour and preferences, but rather the advantageous or favourable outcome for both the individual and society at large. Adam Smith's conditional proposition in explaining mutual beneficial behaviour could therefore be summarized as follows:

"Give to society what is required, and I will gain what I desire"

The prudent act of the merchant or labourer is therefore reliant upon the belief or expectation that a beneficial outcome for both the merchant, labourer and society at large will come to bear. In a hermeneutical context, the corpus of Adam Smith's market model therefore suggests, at least in my view, that the principles of common prudence imply that the merchants' and labourers' prudent acts are not entirely without intent and such acts are not only to promote one's own gain. Nor are the prudent act led by an *invisible hand* to promote an end which was no part of his intention. To the contrary, the principles of common prudence imply that the merchants' or labourers' acts are intentional and occur with a clear expectation of something beneficial. Although it is at the time invisible, things will come to bear that are advantageous and beneficial to both an individual and society. The merchant's prudent acts, though not always benign, are aimed at creating the greatest value in the chosen industry. The labourer's prudent acts aim to make the annual revenue of society as great as he can (Kennedy, 2008:220). In both instances, the merchant and labourer's intentional acts are guided by their respective expectations of something, though invisible at the time, [invisible hand], that their prudence would result in the greatest value produced and the greatest annual revenue for themselves and society respectively.

PRINCIPLE:19 A PERSON OUGHT TO BE PARSIMONIOUS WITH MONEY AND RESOURCES AND BE WILLING TO ACCUMULATE CAPITAL FOR INVESTMENT IN PRODUCTIVE MEANS AND THE EMPLOYMENT OF PRODUCTIVE LABOUR

According to the *classical exchange model*, growth depends on the proportion of the revenue that is spent on growth-inducing productive or growth-inhibiting activities (Kennedy, 2008:174).

Revenue is spent on consumption or is saved. The revenue that is saved is employed as circulating capital, which by its nature is spent on maintaining productive labour and material production. Those who also save out of their revenue add to their capital, either by employing productive hands or by lending for a share in his profits (Smith, 1776:285).

The only source of such capital is saved revenue and/or the net gains of those who saved out of profits in a previous production cycle. “It was parsimony” argues Adam Smith (1776:337),

by increasing the fund which is destined for the maintenance of productive hands [which] tends to increase the number of those hands whose labour adds to the value of the subject upon which it is bestowed, which increases the exchangeable value of the annual produce of the country by putting into motion an additional quantity of industry, which gives an additional value to the annual produce.

It is the parsimony of the frugal person whose savings offered the maintenance of an additional number of productive hands that bring about growth in society and the spreading of opulence. Should the individual, argues Adam Smith (1776:338),

...temper his frugality, he would pervert[ing] his capital from its proper destination and not only society but also the individual would be less flourishing or prosperous. The strong principle prompting society's savings because it affects most people, is the desire of bettering our conditions because no person is so perfectly and completely satisfied that he is without any wish of alteration or improvement of any kind. Most persons better their conditions of living and that of society, by augmenting their fortune by saving and accumulating capital. Taking everything in consideration, the principle of parsimony seems not only to predominate, but to predominate very greatly (Smith, 1776:341, 345, 405, 540).

It therefore follows that the quality of being careful with money and resources and being willing to accumulate capital for investment in productive means is growth inducing and advantageous for individual persons and society. A person should therefore be parsimonious with money and resources and be willing to accumulate capital for investment in productive means and the employment of productive labour.

PRINCIPLE:20 PRODIGALITY AND FINANCIAL MISCONDUCT OUGHT TO BE CONTAINED AS IT PERVERTS THE PROCESS OF LIBERATION AND KEEP THE PRODIGAL PERSON IN A STATE OF BEING DEPENDENT ON OTHERS FOR A SUBSISTENCE

Capital, brought about through frugality and employing productive hands is the engine of growth; spending stock above that which is necessary – prodigality in place of frugality – diverts annual produce and erodes that which otherwise could contribute to society's net increase in capital. In sum, argues Adam Smith (1776:338) “the proportion of productive labour is at the core of economic growth.” For Adam Smith (Kennedy, 2008:182) this was the definitive choice for all who

participate in a commercial economy. How they react to these preferences effectively determine the steepness of the growth trajectory of the society. He simplified that by asserting:

...what was at stake is an extreme choice between prodigality versus parsimony. The prodigal spends revenue and leaves nothing behind. The amount spent adds nothing to his revenue in the next period because his consumption is a leakage, not an investment. If he saves something out of his revenue, it is consumed by a different set of people, such as productive labourers, manufacturers and artificers, who reproduce with a profit the value of their annual consumption (Smith, 1776:338).

According to Adam Smith (1776:339) prodigality is a sort of perversion because it wastes the prodigal's inheritance for his forefather's frugality. It diminishes the funds destined for employment of productive labour thereby the value of the annual produce of the country, plus it diminishes the real wealth and revenue of other inhabitants, including, though unsaid, those among the labouring poor. It feeds, in effect the idle with the bread of the industrious and beggars not just himself but impoverishes his country. Adam Smith (1776:333) then concluded that all consumption expenditure out of revenue is unproductive – it does not replace the costs plus a profit to final consumers, though for producers of final consumption services it may compensate their costs plus profit for them. "It depends on which side of the transaction we look at", wrote Kennedy (2008:180)" which may aid appreciation of the distinction that Adam Smith was trying to convey." The proportion allocated between capital and revenue, according to Adam Smith (1776:337) determine the proportion between industry and idleness. He argues that "where capital predominates in these proportions, industry prevails; where revenue predominates in them idleness prevails." Changes in the proportions of capital and revenue may change the number of productive hands employed affecting the real wealth and revenue of a country's inhabitants. In the search for wise prescriptions for progressing to opulence, he concludes that, "capital is increased by parsimony and diminished by prodigality and misconduct" (Smith, 1776:337). Parsimony, is the key to the increase in the exchangeable value of a nation's produce of land and labour. Revenue spent on what Adam Smith (1776:338) called idle guests and menial servants leaves nothing behind; capital spent on labourers, manufacturers and artificers, who reproduce with a profit their annual consumption, add to the stock of capital.

Adam Smith (1776:340) then concluded his argument by asserting that

a minimal amount of unproductive expenditure on consumption is inevitable [we have to eat] but the prodigal perverts this process: he lived beyond his means, consumes his capital and tends not only to beggar himself, but to impoverish his country, by reducing the capital that would be available to society.

In our contemporary society, Adam Smith's argument remains still valid, as consumer behaviour is primarily focused at the attainment of goods and services for immediate gratification beyond immediate necessities, basic convenience and amusement of life. Present-day apportionment of revenue on consumption and capital is substantially disproportioned in favour of consumption. Apportionment of revenue for capital accumulation and expenditure do lag behind idle consumption and regrettably one has to conclude that the prodigal perverts has his own betterment and tends not only to beggar himself but prolong the degree of dependence on other for subsistence. But the apportionment of revenue for capital accumulation and improved industry owners that lead to an increase in revenue are not only growth enduring but also advance the natural liberty of an individual. As such revenue destined for the employment of industry and increase in revenue through higher productivity are not for the maintenance of idleness a term Adam Smith employed to describe unnecessary consumption for leisure and luxuries.

**PRINCIPLE:21 A SPIRIT OF ENQUIRY OR CURIOSITY OUGHT TO BE INSTILLED TO
FIND ORDER IN THE BEAUTY AND INTENDED PURPOSE IN THE
UTILITY OF OBJECTS AND EVENTS THAT CONSTITUTE OUR BEING**

In Adam Smith's (1759:49) analysis of the *Four Ages of Mankind*, he draws a further distinction between the first ages of society and the later more advanced ages of commerce, by concluding that the first ages of society had little curiosity. Adam Smith (1759:48-9) stated that

...a savage, whose subsistence is precarious and is exposed to the rudest of damages, is not inclined to amuse himself with searching out what seems to serve no other purpose then to render the theatre of nature a more connected spectacle to his imagination.

The lack of curiosity, he argued, "find its roots in pusillanimous superstition" (Smith, 1759:112-13) of the first ages of society as their experience of nature fitted them with terror and amazement. With the result "that they did not gain an admiration of the beauty thereof." The consequence being "that they found it difficult to find order in the chaos of jarring discordant appearance and to allay man's tumult of the imaginations" (Smith, 1759:41-5).

Adam Smith (1759:45-6) further argues that earlier societies, because they had little curiosity could not appreciate the tone of tranquillity and composure of the universal order and in particular the beautiful and orderly machine of commerce which is both agreeable in itself and most suitable to nature. Adam Smith (1759:179) asserted that "beauty is closely bound with admiration and therefore could not fully appreciate the chain of events and its fitness for purpose." The lack or rather little curiosity of earlier societies due to their Polytheistic religious outlook did not possess

a strong spirit of enquiry, thereby prolong their subsistence and restrained their desires to better their conditions of living.

Considering the pre-eminence of ingenuity and inquisitiveness to better one's conditions of living, individual person's, as well as society as a larger organ of nature, ought to be filled with greater curiosity and a spirit of enquiry. Not only would a spirit of enquiry help explain the chain of events but in the context of Adam Smith's (1759:179) assertion that utility is the principle source of beauty, a spirit of enquiry would help discover the pleasure of convenience that the utility of any object possesses and intent to promote human enjoyment. Because nature and then more specifically human existence, are filled with objects, whether tacit or otherwise, human understanding of the pleasure of convenience that objects possess is fundamental for the betterment of human conditions. As such it is therefore growth inducing and ought to be fired up within each person.

**PRINCIPLE:22 TO ACHIEVE THE HIGHEST DEGREE OF STABILITY AND
CONFIDENCE IN SOCIETY EACH PERSON OUGHT TO SHOW
RESPECT FOR AUTHORITY; THE DIGNITY OF THE SOVEREIGN AND
UPHOLD THE LAW AND ORDER**

For the *classical exchange model* of Adam Smith to function optimally, the greatest degree of stability and consistency in the conduct of individuals and of society are required. In societies where these fundamental conditions are not prevalent, economic growth is inhibited and volatility cause markets to fluctuate violently and inconsistently which in turn undermines general market and consumer behaviour. Adam Smith therefore argues that the following pre-eminent conditions are more prevalent in societies that prosper then in others that is less prosperous: Respect for authority; upholding the dignity of the sovereign; consistency in conduct and behaviour; commitment to law and order and finding remedies for discord where it arises. I now briefly examine these pre-eminent conditions.

Respect for Authority

In societies where members have a genuine respect for authority [whether Governmental or otherwise] without coercion, they are capable of seeing through the interested complaints of factions and less likely to be misled into any wanton and unnecessary opposition to authority (Smith, 1776:781-2). Respect for authority make the inferior ranks in particular less liable to be influence by delusions of enthusiasm and superstition and the most dreadful disorders.

Hence Adam Smith (1776:788) argues that:

In free countries where the safety of government depends very much upon the favourable judgement which the people may form of its conduct, it must surely be of the highest importance that they should not be disposing to judge rashly or capriciously concerning it.

Adam Smith (1776:785-6) then concludes that “educated people are more disposed to respect their superiors” and therefore argue for government intervention in education to aid upward social mobility. He appealed to the conscious of political leaders to take political action to direct public funds for this purpose. Adam Smith also appeal to the sense of individual persons to work towards intellectual, social and moral virtues, as every improved and civilized society ought to prevent that the great body of the people, in which the labouring poor find themselves, are free of ignorance to the highest degree attainable. Only then, would the people not be misled into any wanton and unnecessary disrespectful conduct that oppose authority.

Dignity of the Sovereign

In addition to Adam Smith’s (1776:814) argument for public funded education programmes was to advance social and political stability through the upward mobility of the inferior ranks, he proposes that the dignity of the sovereign has to be protected by individual conduct and argue for government expenditure in support of the dignity of the sovereign. Adam Smith (1776:814) asserts that,

such expenditure was a necessary expense in an opulent and improved society where all the different orders were everyday more expensive in their house, in their furniture, in their tables, in their dress and in their equipage. The sovereign’s expense necessarily would grow in his acquiring these articles too, for him to hold out against fashion and for supporting his higher dignity. Similar expense would be required to meet the dignity of any other head of state, paid for out of taxation and for all the representations of the country too.

Consistency in Conduct and Behaviour

Society and then particularly commerce and manufacturing in short, seldom flourish in any society in which there is not a certain degree of confidence that individual behaviour and also that of public institutions and other corporate entities would essentially be consistent and just (Smith, 1776:910). Though Adam Smith (1776:471) argue that perfect liberty and perfect justice ought to run through and be the foundation of the law of nations, he views perfect liberty and perfect justice as eminently desirable but not absolutely essential in a pure form. He remains a pragmatist and realist in the sense that though he argues for perfect liberties it is not by implication that everyone may act free of consideration. Individual behaviour and the application of justice by government

ought to advance the higher degree of consistency in conduct and behaviour even if it requires compromise of liberty.

Commitment to Law and Order

A competitive market driven economy is reliant upon the preservation of law and order by both citizens and government. The underlying constituent elements of the market such as property rights; freedom of contract and personal freedom, social and technical mobility of factors of production, the liberty to exchange with voluntary parties and free exchange, ought to be protected by a constitutional government. But equally important is that the underlying elements, ought, as aforesaid, to be upheld through individual behaviour and conduct. Without a real and genuine commitment by the citizenry to law and order and the fair and impartial application of law and order by government, the volatility of the market cause uncertainty which is discounted in pricing and conditions of trade which are not conducive to fair and equitable trading conditions and as such inhibit growth and prosperity. Ultimately, the lack of law and order undermine the propensity to exchange and sedate bettering one's conditions of living. Adam Smith acknowledge that the more improved any society is, the greater will be the number of their laws and regulations necessary to maintain justice and prevent infringements. This particularly applies in the Age of Commerce, which gave boost to the degree by which society was improved (Kennedy, 2008:73). In the same vain he observed that discords and disputes are the cause of a great increase in the quantity of laws and rules.

Finding Remedies for Discord When It Arises

Finding solutions to discords and disputes in a pre-emptive way is therefore essential to avoid the proliferation of laws, rules and regulations. Accordingly, Adam Smith observed that societies that discover remedies for disorder prompted from the slow and gradual adoption of behaviours of individuals, survived more successfully than those that did not. Likewise, societies of which its members are more inclined to search for an accord and solutions for a discourse of affections progress faster and further (Kennedy, 2008:74).

**PRINCIPLE:23 THE PROCLIVITY FOR DISPUTE RESOLUTION AND AVERSION
 OUGHT TO BE INCULCATED IN INDIVIDUAL BEHAVIOUR AS A
 POSITIVE VIRTUE THAT IS MORE BENEFICIAL AND ADVANTAGES
 THEN THE NEGATIVE VIRTUE OF JUSTICE**

The vital role of social cohesiveness, stability and security in a commercial society have been explicitly stated in Adam Smith's *The Theory of Moral Sentiments* supported by his *Lectures on Jurisprudence* (Kennedy, 2008:68). These works of Adam Smith clearly articulate the importance of jurisprudence [justice] for a working market system. Without justice, that promote social

cohesiveness, stability and security, markets do not function properly. This was well understood by him and other participants of the Enlightenment (Hume, 1739-40; Ferguson, 1966 [1767]; Millar, 1806, 1990 [1771]; Hutchenson, 1968 [1755] as cited by Kennedy, 2008:67). According to Adam Smith (cited by Kennedy, 2008:68) violation of justice causes injury – food is stolen, a family member murdered, a shelter burned down, a debt not paid, or a magistrate not obeyed. It is Adam Smith's view wrote Kennedy (2008:68),

that because the impartial spectator disapproves of violation that positively hurt someone, the proper response to violations is for guilty persons causing the injuries to suffer punishment, ranging from verbal chastisement through, in extremes, to lawful execution.

Adam Smith's unequivocal belief in the pivotal nature of justice in society is as clear and unambiguous as David Hume's assertion that "without justice society must immediately dissolve and everyone must fall into that savage and solitary state, which is infinitely worse than the worst situation can be supposed in society" (Kennedy, 2008:69). This was indeed the case in earlier rude and savaged societies living as they did according to the laws of nature (Kennedy, 2008:65). In these societies when disputes broke out, miscreants were banished, disputants killed, or injured parties were permitted to obtain violent redress (Kennedy, 2008:65). It was easy to see wrote Adam Smith in *Lectures on Jurisprudence* (Meek *et al.*, 1983:16) that in these societies, the laws and regulation were very different.

Adam Smith then found that those societies that discover the remedies for disorder prompted from the slow and gradual adoption of individual behaviour advanced faster than those who remain held up in violent redress. In particular, where individual behaviours in situations where markets operate less than perfect and result in sub-optimal outcomes, such as from monopolies, protectionism and conspiracies to restrict supplies, to which we can add, pollution and indifference to spill-over externalities and tragedies of the commons (Kennedy, 2008:223-224) may be added. Adam Smith therefore asserts that societies that find remedies for disorder, other than compliance enforced by compulsion through a system of jurisprudence [justice], experience greater and faster growth, as the positive virtue of dispute resolution and aversion is more efficient with the least injury and the greatest disapprobation among individuals in society. The reason being is that the negative virtue of justice is not upheld voluntary and ought to be enforced. Justice, contrary to the positive virtue of dispute resolution and aversion, is about what people on pain of condign punishment must not do (Kennedy, 2008:68). Breaches of justice cause punishment, even grievous punishment while dispute resolution prior to judgement may cause a degree of disappointment or disgust with a real opportunity of reconciliation and voluntary and mutually conceding restitution (Kennedy, 2008:68). It is therefore imperative to inculcate in individual

behaviour the proclivity for dispute resolution and aversion as a positive virtue, as it is more beneficial and advantages then the negative.

PRINCIPLE:24 IMPRUDENT BEHAVIOUR IN THE NAME OF SELF-INTEREST GAIN THAT JEOPARDIZE SOCIETY’S INTEREST OUGHT TO BE RESTRAINED AND INDIVIDUALS OUGHT TO COMPLY WITH REGULATORY SYSTEMS AIMED TO SAFEGUARD THE PUBLIC INTEREST

People do not act aimlessly, and their acts do lead often to malign outcomes (Kennedy, 2008:162). Especially when individuals act deliberately in a fraudulent manner. Such conduct does occur under thriving as well as declining circumstances. In Adam Smith’s (1776:303) time of age, the “wearing and clipping” of coins have been an ancient and fraudulent practice commonly practised by kings and users of gold and silver (Kennedy, 2008:163). This fraudulent practice implies that over-trading takes place by deliberate misrepresentation of value, whether it may be promissory notes or general property. Because such fraudulent dealings in fictitious values or a too liberal lending policy by Banks, were ruinous of the general interest of society, Adam Smith took a strong stance against self-interest of players who work directly against the best interest of everybody affected by their actions (Kennedy, 2008:164). The “artful contrivance of these players” is according to Adam Smith (1776:324) “a violation of person liberty.” Adam Smith (1776:324) therefore argues that “those exertions of the natural liberty of a few individuals, which might endanger the security of the whole society, are and ought to be, restrained by the laws of all government; of the freest as well as of the most despotically.” Likewise, it is implied in his corpus that society’s interest may not be jeopardized by the imprudent behaviour in the name of self-interest gain. Such actions need to be restrained and legal interventions [including penalties] to safeguard the public interest are required.

PRINCIPLE:25 SHOW GRATITUDE AND RESPECT TO THE RICH AND POWERFUL; FOR THEIR AMBITION AND LEADERSHIP ARE CREATING OPPORTUNITIES FOR HUMAN ADVANCEMENT AND PROSPERITY

Adam Smith considered the history of Britain’s constitutional monarchy to have been a positive influence on the spread of opulence. In his empirical analysis of the nature and causes of wealth, he reflects on the ambition and ability of the elite which caused the creation and spread of opulence. On the other hand, he reflects very extensively and at times very heavily on the dark ages that followed, preferences of idleness of landlords, the landlord’s caprice and abuse of the peasants or landless masses that depend on the elite.

While per capita income was at subsistence level for the majority during the 16th to 18th century, the “richer elite formed by the newer modes of subsistence based their power on unequal ownership of property” (Kennedy, 2008:77). For the population to grow and per capita income to remain at subsistence, there must have been of continual, though slow and gradual growth in domestic output, most of the surplus of which was appropriated by the rich and powerful (Kennedy, 2008:77). At the time, the slow and gradual growth in domestic output was wantonly consumed partly in the households of the rich and powerful and those who served them as their armed retainers and partly in the creation of stone-based civilizations, the ruins of which are spread today across Europe, the Near East and North-Africa (Kennedy, 2008:77). In more modern times these construction projects of the rich and powerful may be construed as public Works programmes, or at least had similar economic multiplier effects. Adam Smith also details how, from the conquest of England, by William ‘the conqueror’ (Meek *et al.*, 1983:244) inheritors brought new mixtures of ambition and ability into contention which installed new centres of local power (Kennedy, 2008:81). He not only may have had an exceptional view of the rich and powerful as agents of change, he even regarded the lessons of the dark ages that followed as significant for identifying the nature and caused of the spread of opulence (Kennedy, 2008:81). Thus, he emphasized the fall of the Roman Empire, as the significant event in the history of Europe. An event, Adam Smith proclaimed one of many that has been fortuitous and having had many consequences in the inversion of the order in which Britain progressed towards opulence, because it unintentionally provide the eventual development towards a constitutional monarchy [with parliament and elements of liberty] (Kennedy, 2008:82).

In contrast to what he refers to above as the unintentional actions of the rich and powerful, Adam Smith also decries the agony caused by their conduct, more notably the forced dependence of those who remain bereft of property, on their master for their maintenance and subjects to the mercy of their master’s caprice. (Smith, 1776:386-7). He also reflects negatively on the preference for idleness of the rich and powerful; that delayed the creation of a productive Yeoman class. In Adam Smith’s reflection of the time, he referred to the lack of investment in land improvement and utilization programmes, not because of a lack of capital, but because of a preference for idleness (Kennedy, 2008:82), In *Lecturer on Jurisprudence* (Meek *et al.*, 1983:525) Adam Smith reflect on the negative unintended consequence in this manner:

Many landlords were not given to energetic land management, or their inherited estates were so indebted and poor in rental income that it was beyond their means should they want to improve them. And to their lethargic inclination to undertake a little trouble and expense on their landed property as possible were added unfavourable policies imposed by the ancient institutions of Europe that together discouraged the

inclinations of those few persons who might otherwise have been industrious, causing regular local dearth in corn that these laws were supposedly designed to prevent.

He also in his analysis of the developments during the feudal times and beyond very masterly described how the feudal lords lived off their bounty and humoured their vanity (Smith, 1776:413).

The vanity of the feudal lord, argues Adam Smith and,

their ladies tempted them into an extravagant penchant for luxury purchases of manufacturers and quietly diverted growing proportion of their annual wealth to obtain them, but as they dismissed their retainers to fund their avarice, they diminished their troublesome power to incite the wrath of the embattled kings (Kennedy, 2008:87).

“They also slowly drained themselves of the means to tyranny defenceless tenants. Foreign and distant manufacturers provide them with something besides retainers to spend their wealth upon” (Kennedy, 2008:88). But without armed retainers, wrote Kennedy (2008:88),

...to enforce their writ, who would do the dirty work of chastising their enemies in the towns, lording it over their tenants and their families and challenging or intimidating their weaker lordly neighbours. Gradually, this drawn into the seductive avarice of expensive luxury consumption gave up increasing amounts of the exchange value of the surplus produce from their lands. They consumed themselves the items that they bought with their produce without sharing it with tenants or retainers.

In *the Wealth of Nations*, Adam Smith’s (1776:418) summary judgement of the rich and powerful, or at least the feudal lords “drips with contempt” (Kennedy, 2008:80) as he reflects on their selfish behaviour when he observed the vile maxim of the rich, power-elite as: “All for ourselves and nothing for other people.” This seems in “every age of the world, to have been the vile maxim of the masters of humankind” according to Adam Smith (1776:418). “And so, it was and still is, in parts of the world where unrestrained power ruins the happiness and lives of those they subjugate.” “But over time”, wrote Kennedy (2008:88), “in the case of feudalism, the rulers reaped what they sowed.”

Adam Smith (1776:418) observed it in this manner:

For a pair of diamond buckles, perhaps, or for something frivolous and useless, they exchange the maintenance, or what is the same thing, the price of the maintenance of a thousand men for a year and with it the whole weight and authority which it could give them. The buckles, however, were to be all their own and no other human creature was to

have any share of them; whereas in the more ancient method of expense they must have shared with at least a thousand people... and thus, for the gratification of the most childish, the meanest and the most sordid of all vanities, they gradually bartered their whole power and authority.

“By his spending or luxuries, a lord ends up maintain not a thousand families, all of them at his command, but fewer than 20 people” (Kennedy, 2008:88). Adam Smith’s empirical analysis of the influence and conduct of behaviour of the rich-powerful-elite, clearly shows their contradictory or paradoxical role in society. Ultimately, he concluded in the Mandeville satire (Meek *et al.*, 1983:195) that the “spendthrift lord, who buys trinkets and dismisses one set of retainers, also indirectly employs other who made trinkets and ships them from distant parts and by these actions he gives” (Kennedy, 2008:88) “occasion to a great amount of work and manufacturing, such as is necessary to raise so much in its value” (ed. Meek, 1983:195).

He then concluded his analysis of the rich and powerful to be the most distinctive member of society we can possibly conceive (Meek *et al.*, 1983:194), but paradoxically, his kind is “in no way prejudicial to society” (Meek *et al.*, 1983:194). The great prices, argues Adam Smith (1776:420) “of what they buy generally arise from the wages of labour and the profits of their employers and the spendthrift indirectly contributes to the maintenance of all these workmen, their families and the employers.” In the larger scheme of arrangements and though, with a scoop of cynicism and realism, Adam Smith concluded that the rich-powerful elite, cannot be dismissed from society and their deceptive lives hold some advantage for society at large. We have to show gratitude and respect to the rich and powerful for their ambitions and leadership that are creating opportunities for human advancement and prosperity. Without the rich and powerful the world would be a poorer place

PRINCIPLE:26 TO BE GENEROUS AND CHARITABLE IS GOOD BUT IT IS EVEN BETTER TO BE FRUGAL IN CONDUCT AND WORK TOWARDS DRIVING THE POOR INTO EMPLOYMENT IN ORDER TO SHARE IN THE ANNUAL CONSUMPTION OF THE NECESSARIES, CONVENIENCES AND AMUSEMENT OF LIFE

The Age of Commerce in the unique circumstances of Britain under the Hanoverian Constitutional Monarch, “a firm system of justice and the rule of law and the modest but persistent growth”, wrote Kennedy (2008:257) “raised hopes that there was a way forward from the permanent poverty of the majority of the population.” But, that did not materialize. To the contrary, argue Kennedy (2008:257), “the gross inequality of income and circumstance of the poor persist, and an even heavier price has been paid due to the division of labour.” Kennedy (2008:257), then concluded

“that in the more recent successor *Ages of Shepherding* and the *Ages of Agriculture* from around 8000 years ago, the plight of the poor, measured on the historical norms of per capita subsistence, did not fare, much better than the poor had ever fared.” The plight of the poor is and still is, a challenge for society. The debates on how to alleviate the plight of the poor within the context of Adam Smith’s analysis are indeed worlds apart from present-day debates, but for the purpose of this analysis I reflect on three positions taken at the time: firstly, the efficacy of generosity and charity; secondly, distributive justice; and thirdly Adam Smith’s growth model. From my vantage point, these three positions are reflective of the *exchange ethics* of the time and not relevant to the present-day discourse.

Efficacy of Generosity and Charity

The view of the efficacy of generosity and charity, has been perhaps cynical at the time, yet a fair introspection under present-day circumstance may conclude that in the scale of things, generosity and charity are perhaps very palliative rather than a lasting remedy. At least this has been the view at the time of Adam Smith’s analysis. Kennedy (2008:257) summarized Adam Smith’s views of the time as follows:

Beneficent individuals with wealth to share – guided by moral views of just desert, or of Christian charity towards God’s children, in the spirit of generosity, compassion and foresight, to do good to others – show strong moral attributes, but merely scratched the surface, though welcome enough for those who received such attention. Even saints could give away all that they possess and join the pitiable poor, it would make no difference to the numbers of poor in need of pity. Beyond this immediate relief, the morally good had nothing to offer [spiritual gains exclude] as the cause to the continuing deprivations is the absence of wealth, which are counted as those necessities, convenience and amusements of life.

Distributive Justice

Classical moral philosophers (Kennedy, 2008:257) debated beneficence within the strict format of voluntarism as a possible solution and applied distributive justice according to the principle of merit, which rewarded with honour or political office or money those selected in strict proportion to his or her merits. Their applied system of moral, are worlds apart, wrote Kennedy (2008:257) “from modern debates on income redistribution and the appropriate tax transfer required to meet even modest redistribution to the poor.”

Adam Smith's Classical exchange model

Adam Smith did not discuss the alleviation of the poor directly. Yet he was outspoken about the conditions of the poor, their significant contribution to society, including contrast to the indolence, frivolity and waste occasional by those above them in the scheme of things. In *Lectures on Jurisprudence* (Meek *et al.*, 1983:341), he expressed his empathy for the poor by referring to them as down trodden, despised and burned in obscurity, while they are [the labouring poor] supported everybody above them in society's rankings, in return for a very small share of the annual output per capita. While the common labourer bears on his shoulders the whole of humankind, society – the elite – thrust him [the labourer] down into the lowest part of the earth for his pains.

What then is Adam Smith's proposal? Though he acknowledged the attempts to relieve poverty by somehow providing the means to feed, clothe and shelter the poor who live in hovels (Smith, 1759:233-4) he questions the celebration of poverty in the manner of religious aesthetics. Transfer through government taxation was not on the agenda either and therefore not a part of his proposals. Adam Smith's answer, says Kennedy (2008:258),

...relied on drawing the labouring poor into employment to share in the annual consumption of the necessaries, conveniences and amusement of life. This could best be done by a continual increase in employment. Limitations on capital formation that limited the growth of employment slowed the division of labour and specialization along the supply chains and inhibited the widening of markets. Only growth in the net product would overcome that constraint and competition among business for additional labourers would tend to raise wages and in Adam Smith's analysis to depress profits from employers having to pay higher wages to attract and retain labour and from the resultant increased output to lower unit prices to attract and retain customers [raising real wages].

Then, to my mind, Adam Smith made an observation that at the time has been very relevant, but of even greater relevance today.

To resolve the plight of the poor, Adam Smith (1776:267), critique the mercantile colonial policy, which drew away capital from its normal path in pursuit of higher profits in colonial monopolies. The pursuit of profit by these merchants he argued, has been both a necessary growth – inducing and deleterious effect. The deleterious effect leads profit seekers to the divergence of their interest from that of the society they live in. This happens at a price that the poor in society has to pay. This observation, two hundred years ago resonates today more than ever before. Through globalization and free trade, multinational companies relocate communities away from their countries of origin or redirect business [production in particular] to foreign countries at the expense

of the society from which they originate and their new host country. This lack of national pride and loyalty are only but the consequence of value-free trade characterized by current day trade arrangements. The deleterious effect of this movement is evident in growing unemployment and the consequential new nationalist political drives in once strong economic powerhouses, like the United States of America. Therefore, Adam Smith's critique and argument that to be generous and charitable are good, but it is even better to be frugal and work towards drawing the poor into employment, is as relevant then as today.

PRINCIPLE:27 PRESERVE THE DIGNITY AND WELLBEING OF OTHERS BY ENSURING THAT THE POVERTY STRICKEN, UNEDUCATED, SICK AND THOSE WHO LACK VITALITY, BOTH PHYSICAL AND MENTAL, COULD ENJOY EQUAL OPPORTUNITIES OF SHARING IN THE PROSPERITY OF SOCIETY

To preserve the dignity and wellbeing of others and in particular fellow labourers that toil and sacrifice clearly for the wellbeing of society, can never be regarded as an inconvenience to the whole. Whether as an employer or as a fellow worker, each person, whether with the authority or without the ability, ought to act in a manner and work towards a proper response by society as a whole to create circumstances that ensure a dignified life for all.

Adam Smith (1776:96) in *the Wealth of Nations* asking rhetorically:

Is [an] improvement in the circumstances of the lower ranks of the people to be regarded as an advantage or as an inconvenience to the Society? The answer seems at first sight to be abundantly plain. Servants, labourers and workpeople of different kinds, make up the far greater part of every great political society. But what improves the circumstance of the greater part of the members can never be regard as an inconveniency to the whole. No society can surely be flourishing and happy, if the far greater part of the members are poor and miserable. It is but equity besides, that they who feed, clothe and lodge the whole body of the people, should have such a share of the produce of their own labour as to be themselves tolerably well fed, clothed and lodged.

As it would be clear by now, that his primary concern and enquiry was to identify the nature and causes of wealth creation as indicative of the obstacles in the way of achieving what he called general opulence. It is therefore understandable that he dealt with the conditions of workpeople not as a missionary with a social agenda that appeal to the moral consequence of society, but

rather as a prerequisite for growth and the spreading of the necessities of life (“opulence”) to all of society in a just and fair way. His model is therefore not to be construed as a “manifesto for social change through explicit redistribution” (Kennedy, 2008:136) but rather it implied a sharing from the spoils of economic growth through an increase in demand for labour and the associated expected increase in wages. “In place of a moral appeal to the consciousness of employers or legislators” wrote Kennedy (2008:136) “he [Adam Smith] based his case for a high-wage economy for all who depend on the productivity of labour for the growth of opulence, by appealing to the self-interest of the master.”

He gave a clear example of this in *The Wealth of Nations* (Smith, 1776:99):

The liberal reward of labour, as it encouraged the propagation, so it increased the industry of the common place. The wages of labour are the encouragement of industry, which like every other human quality, improves in proportion to the encouragement it receives. A plentiful subsistence, increases the bodily strength of the labourer and the comfortable hope of bettering his condition and ending his days perhaps in ease and plenty animates him to exert that strength to the utmost. Where wages are high, accordingly, we shall always find the workman more active, diligent and expeditious, than when they are low ... Some workmen, indeed, when they can earn in four days what will maintain them through the week, will be idle the other part. This however, is by no means the case with the greater part. Workmen, on the contrary, when they are liberally paid by the piece, are very apt to overwork themselves and to ruin their health and constitution in a few years.

Adam Smith’s assertion that higher wages fuel the wheel of circulation and the spread of opulence is therefore not an explicit redistribution argument, but rather growth through reward strategy. However, by implication it has a distribution nature but not as it is applied in socialist economies. The *growth through reward* model is only attainable through a deliberate strategy of prior distribution. He argues, both in *Lectures of Jurisprudence* and *The Theory of Moral Sentiments*, that a society’s progress towards spreading opulence (and for that matter, follow a higher wage economic growth trajectory) would be able to follow such a trajectory only in a lasting way if the prior conditions with regard to poverty, lack of education, health issues and infant mortality are effectively addressed through what we now call distributive justice. What it implies, is that a growth through rewards strategy with applied higher wages, could only be achieved in a lasting way if the society is decently fed, clothed, lodged but also are healthy with a high vitality and mental capacity, educated with good levels of awareness and mindfulness. These are the pre-conditions

for an efficient growth for rewards model. The deliberate distribution of wealth is therefore aimed at providing the basis from which to launch even greater growth, competitiveness and productivity ultimately culminating in a higher wage economic growth trajectory. In this way, distributive justice is not only about the wellbeing of the labourer as those that are employed among society, but also the unemployed, destitute, poverty-stricken person in society. In so doing distributive justice is changing the circumstance as the greater part of the members to be decently fed, clothed and lodged with the ultimate purpose of becoming a productive member of society. In this way, distributive justice can never be regarded as an inconvenience to the whole. But, it requires an attitude from all of society to work towards equal opportunities for all.

PRINCIPLE:28 WHEN APPLYING ACCUMULATED KNOWLEDGE AND SUPERIOR INTELLIGENCE IN A COOPERATING TEAM SPIRIT INDIVIDUAL AND SOCIETAL INTEREST ADVANCE MORE THEN OTHERWISE

From earlier societies onwards, those who has discovered the advantages of cooperative teamwork and applying their accumulated knowledge and superior intelligence, have advanced quicker and managed to overcome present-day challenges (Kennedy, 2008:151). This behaviour, contributed greatly to the practice of observing surplus provisions and the emergence of primitive capital from ordinary surplus of daily labour as the original cause that led to some societies, eventually, to develop (Kennedy, 2008:153). Likewise, in earlier hunter's societies the cooperation among society members enabled them to undertake prolonged hunting / scavenging scouting trips with the cooperation of others (Kennedy, 2008:153). Disciplined team work assisted some societies to hunt bigger game in competition with scattered individuals hunting small prey (Kennedy, 2008:153). This primordial principle of team work and the applying of accumulative knowledge and superior intelligence is still setting societies apart, even in the most modern age. Individual behaviour ought therefore to be conducive to mutual cooperation in pursuit of economic ends like in all other mutually beneficial endeavours. Exchange as a mechanism, in its narrow sense and the economic household in its broader context ought to be a mutually beneficial endeavour, through a spirit of national unity and cooperative team spirit.

PRINCIPLE:29 A DISPOSITION TO BE FRIENDLY, HELPFUL TOWARDS OTHERS AND AN UNDERSTANDING OF THE CULTURE AND VALUES ARE CONDUCTIVE TO GROWTH

The more developed the society, the more interconnected are the separate markets for goods or service and societies nationally and internationally. To a lesser degree, within a homogenous culture and more often among people of a heterogenous culture. As Adam Smith (1776:22) said:

An individual firm supplies people in an economy [*economies* – authors accentuation] abundantly with that they have occasion for – in respect of their product and in effort and in return the people in the firm receive products of other firms that they occasion for and across society these transactions amount to a general plenty that diffuses itself through all the different ranks of society.

It is therefore advantageous to seek the consent and advice and by implication their commitment to suggest a chosen course of action (Meek *et al.*, 1983:254 cited in Kennedy, 2008:85) or for what *someone occasions for*. Likewise, it is prudent not to regard others as ignoble and contemptible (ed. Meek, 1983:255 cited in Kennedy, 2008:85). Good neighbourliness and acceptance of the cultures of others with whom I interact is therefore a prerequisite for enhancing reciprocal trade and exchange.

4.3 EXCHANGE ETHICS AS A RELATIONAL PARADIGM

Taking into consideration the entire corpus of work by Adam Smith and then more pertinently the ethical principles as implied in Adam Smith's *classical exchange model* as described in the aforesaid sections, it may be suggested that Adam Smith's *classical exchange model* is truly an exchange model as the word implies, rather than a growth theory. By implication, exchange within the economic household is a relational system that concern with conflicts between different people's interests and the wealth and prosperity of different individuals and societies. As such the exchange model relies on the moral, ethical and social fabric of individuals within the household.

It is indeed true that the market model as a mechanical construct, is driven by individual preferences deduced from utility and value. However, like all mechanical constructs and structures that interact with people's attitudes and motives, the efficiency, productiveness and responsiveness of the mechanical construct and structures are greatly influenced by expressed human behaviour and preferences. Likewise, the attitude, motives, behaviour and preferences of individual persons in the economic household, are influenced by the mechanical construct of the market, through the setting of prices based upon utility and value. The latter interrelational behaviour is labelled by modern economist as "utility-maximizing behaviour" (Cannan, 1976: XI). In terms of the latter, the focus is more on the mechanical construct of utility and consequential value. The ethical principles underlying human behaviour and judgement are left to the individual preferences of the persons who make up society. As such the person is considered the best judge of his or her preferences and individual preferences are therefore a good indicator of wellbeing. Individual preferences are accordingly accepted as the only quantitative measure of goodness. This notion is not disputed. However, due to the slowness of a person's reason; the limited general comprehension; lack of knowledge and information and variance in the degree of moral and

ethical sensitivity, there are also, in a certain context, where a person may not be able to make a reasonable and sensible judgement of neither the required behaviour nor suitably preference in achieving a particular outcome or resolving and avoiding conflicting interest. In is within this context that I view the ethical principles of behaviour as implied in Adam Smith's *classical exchange model*. On the one hand, these ethical principles as deduced from past empirical observations, could serve as directive principles to change individual preferences. On the other hand, the ethical principles of behaviour could change a person's behaviour and conduct in a way that is conducive for the attainment of economic prosperity and wealth. As such, the ethical and economic considerations underlying a person's behaviour and preferences ought to be jointly and not separately considered in advancing personal wellbeing. Hence, to consider only utility and the consequential value as the basis of judgement or preferences, are therefore not the appropriate behaviour. Without considering one's moral duty to society and the interrelation dependency upon other humans, one may not be fully liberated from one's own self-love and as such act inconsistent to what is indeed conducive to one's personal wellbeing. What is clear, at least from my observation, is that the ethical principles of conduct and behaviour as implied by Adam Smith's *classical exchange model* are indicative of the relational nature of Adam Smith's *classical exchange model*. It clearly suggests, that the *exchange model* can only function optimally and cause the greatest degree of happiness or opulence within the economic household, if certain ethical principles of behaviour and conduct are being upheld and individual preferences reflect same.

In pursuing these *exchange ethics* collectively, individual behaviour and preferences and the consequential actions will follow a chain of events or if you may, a pattern of conduct, that together with many other factors, according to Adam Smith, leads to a benign emergent order of greater wealth and prosperity. In the process, individual behaviour and preferences take many self-correcting trails over long periods for a workable order and general goodness to emerge as an acceptable norm (Kennedy, 2008:223). This process is indeed a complex system wrote Kennedy (2008:223). Like language, the order that emerges is not a spontaneous order but rather an order that come to bear after a long maturation period that is required to bring the order to terms. The desirability of the order that emerges depends ultimately, according to Karen Vaughan (cited by Kennedy, 2008:211) on the kind of rules ["ethics"] and institutions within which human beings act.

What is also clear is that people's desire to improve conditions of living through greater wealth and prosperity will not be completely attained through what modern economists label the "utility-maximizing behaviour." If human's desire to be prosperous and enjoy the fruits of liberty, we have to change the moral sensitivity and virtues of conduct in the economic household. To achieve greater efficiency of the economic household we cannot simply rely on individual preferences as deduced from utility and consequential value without further consideration of a person's societal

duty other than individual preferences and the relational nature of the market economy. Both these considerations require a greater moral awareness and sensibility to instil ways of thinking that make persons naturally inclined to behave in a moral way, and to make persons more virtuous. It therefore follows, that individual preferences cannot be value free and implies ethical considerations above the mere consideration of utility and value. If we as society profess that the ethical judgements ought to be left to the individual preferences of the people who make up the society, we are obliged to follow the basic tenets of Adam Smith's *classical exchange model*, to achieve the greatest wealth and prosperity or as Adam Smith asserts the greatest "opulence."

Accordingly, the ethical principles of behaviour as deduced from the basic tenets of Adam Smith's *classical exchange model* would transform, if pursued, individual preference and behaviour of conduct. More notably it will have the following transformational influence:

1. Protect the fundamental rights of all persons to self-betterment.
2. Work towards the wellbeing of society.
3. Pursue self-interest in a manner that also advance the rights and ability of others to an advantageous outcome and by doing so uphold their dignity.
4. Encourage and empower personal ingenuity and inquisitiveness to earn an income over subsistence.
5. Having a cognitive awareness of the consequential applied effect of self-interest motivated decisions.
6. Pursue with the greatest degree of rationality a balance between private interest and public duty and goodness.
7. Resist the temptation of prodigality by being frugal with money and other resources.
8. Instil a spirit of curiosity and mindfulness to find order in the beauty and intended purpose in the utility of objects and occurrences that constitute our being.
9. Achieve the highest degree of stability and confidence in society by showing respect for authority, the dignity of the sovereign and to uphold law and order.
10. Preserve the dignity and wellbeing of others by ensuring that the poverty stricken, uneducated, sick and those who lack vitality, both physical and mental, could enjoy equal opportunities of sharing in the prosperity of society.

I return to these ethic principles of human behaviour in Chapter 8. The ethic principles of behaviour as set out above are further articulated when I offer an outline of the new ethic paradigm. In the chapter to follow, I examine the second question, namely the tone of temper or

tenor of conduct that are required if individual persons and society at large are desirous to prosper and grow economically quicker. This is followed by my examination of the basis of moral judgement. As multiple judgements are required in our economic pursuits, the basis upon which these judgements ought to be made are fundamental for human prosperity. In fact, it is my interpretation that those systems of thought that downplay or simply disregards these fundamental tenets of Adam Smith's model is and will remain incomplete and lack the required efficacy to effectively and fairly organize the procurement and the distribution of goods and services in the economic household, and to shape and guide human economic behaviour and preference towards an outcome that is socially beneficial, earth-friendly and peace fostering in principle and character. This notion is further examined in Chapter 7.

CHAPTER 5 VIRTUE – AN ETHICAL FOUNDATION

5.1 INTRODUCTION: ADMIRABLE TRAITS OF CHARACTER.

In Chapter 4, I have examined *exchange ethics* as a Law of Motion. In the examination, I have highlighted 29 ethical principles of behaviour in Adam Smith's *classical exchange model* as those behaviours of conduct that are considered to be growth inducing, than otherwise. By implication, in pursuing these *exchange ethics*, an individual person and society at large, could expect to flourish and to be more prosperous in acquiring the conveniences, amenities and amusement of life, that Adam Smith refer to as opulence. I have also reflected on the two heroes in Adam Smith's *classical exchange model* – the *frugal man* and the *diligent man*.

The principles of behaviour examined in Chapter 4, may affect the way a person live, his wellbeing and as Adam Smith asserted a person's happiness. When dealing in what it is for human beings to flourish or live well, one must deal with the same issues that deeply mattered to the ancient Greek moralists. (Homiak, 1997). These issues focused on the nature of virtue, or what we might think of as admirable traits of character and the basis of moral judgement (Homiak, 1997:1). As Aristotle states in *Nicomachean ethics II.9* (cited by Homiak, 1997:3) that in setting and following rules of behaviour or action which may or may not effect a person's wellbeing and happiness and therefore deserving of praise or blame, "are not easy" and therefore require that we focus on two aspects of human nature that may have a bearing on the efficacy and human capacity to apply those rules, such as those ethical principles of behaviour as identified in Chapter 4. The two aspects of human nature that we must focus on, are:

- What Greek moralist labelled as virtue. Greek moralists concluded that to enjoy a happy life, one must give prominence to the exercise of virtue, for virtuous traits of character are stable and enduring and are not products of fortune, but of learning and cultivated (Homiak, 1997:3). A person with good moral character, having virtuous traits and habits, determine with greater regularity and reliability what actions are appropriate and reasonable for the advancement of human happiness and wellbeing. In this way, Greek philosophers claim virtuous traits of character, complete or perfect human life (Homiak, 1997:3).
- Secondly, to flourish and to prosper requires proper judgement that is reasonable, rational and sensible.

Character and proper judgement therefore do matter and set persons aside. As the Stoics observed a person that is happy and virtuous is "living coherently" (Homiak, 1997:13). As the English word *character*, derived from the Greek word *character*, was originally used "as a mark impressed upon a coin" (Homiak, 1997:2), a person of ethical character has a certain mark impressed on his behaviour, preferences and therefore judgement. In this sense, a person of

moral and ethical character is having the mark impressed on his or her character that distinguishes a person from another. Therefore, to be frugal and diligent, the character of Adam Smith's hero, a person has to exercise some moral virtues or acquire virtuous traits of character (Homiak, 1997:3). By implication a person has to show some excellence of character. When we speak of moral virtue or excellence in character, the emphasis is not on more distinctiveness, individually or personality but rather a combination of qualities that make an individual the sort of ethically admirable person he is (Homiak, 1997:2). In this sense, virtues are not merely tendencies to act in a particular way. Virtues are rather traits of character that give a person the inner strength to act reasonable and appropriate at most times with the regularity and reliability required for excellence. This led the Greek moralist to conclude that an ethical moral character consists of two aspects namely, behavioural aspect – doing particular kinds of action and having certain virtuous traits and habits of conduct and a psychological aspect – having the right motives, aims, concerns and perspectives or differently defined as having a proper and sound ethical and moral judgement. The latter is the focus of attention in Chapter 6.

What is now before us is the former or the second question that Adam Smith relies on in explaining his moral philosophy. The question under consideration is: What ought to be the proper tone of temper and virtue of conduct of the *frugal man* and the *diligent man* to uphold the underlying ethical behaviour? In so doing, experience greater wealth and prosperity than otherwise⁷.

To be frugal and diligent in life, is therefore more than a simple act. It requires a condition of character that is rather virtuous than vicious. It requires an inner moral strength to continuously change and grow to acquire the qualities that are needed for a good, happy and a coherent life. It requires, as Adam Smith argues, a proper tone of temper and a tenor of conduct that cultivate a habitual condition in character that is virtuous and wise. In other words, following on to Adam Smith's assertion, it is implied that an individual person and society at large, ought to continuously cultivate certain virtues of habit that cause individual persons and society to be inherently more frugal and diligent in their behaviour, attitudes and conduct. In this chapter, I therefore examine Adam Smith's (1759:265)⁸ analysis of what ought to be the tone of temper and tenor of conduct, which constitutes the excellent and praise-worthy character, the character which is the natural object of esteem, honour and approbation.

⁷ In support of the Thesis argument, I have examined the ethical principles underlying Adam Smith's exchange model in the previous chapter. I acknowledge that in Ethical Theory, ethical principles follow on virtues which is the subject matter of this chapter.

⁸ For the remainder of this chapter, I quote from Edition 6 of *The Theory of Moral Sentiments*. This is the final Edition and has been printed in 1790, 15 years after "The Wealth of Nations", that was printed in 1775. The printed Edition 6 is in the possession of the author.

Taking into consideration the entire corpus of Adam Smith's *The Theory of Moral Sentiments* and *An Inquiry into the Nature and Causes of The Wealth of Nations* it may be deduced, that Adam Smith, would have regarded a person of excellence and having a praise-worthy character to be indeed a person whose behaviour and preferences are rather growth inducing than otherwise. Whose character of mind and habit of virtues are such that society, as nature intended, create and enjoy the greatest amount of happiness not only for the person itself but also for the society at large. Likewise, it may be justly assumed, that Adam Smith would have regarded a person that is frugal and diligent to be a person with a character which is the natural object of esteem, honour and approbation. It therefore implies, that the conduct of behaviour of a person or society that intent to uphold the ethical behaviour as implied in Adam Smith's *classical exchange model*, ought to cultivate a proper tone of temper and tenor of character that Adam Smith recommended to be those of the virtuous and the wise.

Following on Chapter 4 on the ethical behaviour required for the creation of wealth as implied in Adam Smith's *classical exchange model*, this chapter examines those virtues of habit that Adam Smith recommend in the attainment of greater wealth and prosperity. This is done in the following sequence. Firstly, by examining different accounts which have been given of the nature of virtue by other philosophers on which Adam Smith's own analysis relied on. This would give us some insight as to the influences of other thinkers on Adam Smith's own account. Secondly, to give an account of those character traits that Adam Smith recommended as being excellent and praise-worthy. This section reflects on the following: Of the character of the individual, as far as it affects his own happiness – The virtue of prudence. Of the character of the individual, so far as it can affect the happiness of other people – The virtue of beneficence and justice. Of the character of the individual, as far as it effects his self-command – The virtue of self-command.

This chapter gives added insight into Adam Smith's ethical thoughts underlying his *classical exchange model* and then more particularly the character and disposition of mind of a person and then that of society at large as far as it affects wealth creation and prosperity. On conclusion of this chapter, I endeavour in Chapter 6 to examine Adam Smith's analysis of the power or faculty in the mind that recommend a particular tone of temper and tenor of conduct. I also examine Adam Smith's account of the proper motive of action, or the basis of moral judgement, being it self-love, reason, sentiment or sympathy.

5.2 NATURE OF VIRTUE

In this section, I examine the various accounts of the nature of virtue or of temper of mind as put forward by other philosophers that Adam Smith's own account of the character of virtue or temper of mind, relied on. These various accounts of the other philosophers and Adam Smith's critique thereof, offer us greater insight into Adam Smith's own values and a priori principles that constitute

the proper temper of mind. In this section, I briefly dealt with the different accounts which have been given of the nature of virtue by the following philosophers: Zeno, the founder of the Stoical doctrine, Plato, Aristotle, Epicurus, Hutcheson and Mandeville.

For specific reasons, I would limit my examination to those aspects that are relevant to the aim of this thesis, I therefore cannot claim that my examination is either a full and comprehensive account by these philosophers, nor that of the account by Adam Smith. The various accounts of the nature of virtue by these philosophers are the following. Virtues that consist in propriety, is the temper of mind that is virtuous according to the objects which they pursue and the degree of intensity with which they pursue them (Smith, 1759:266). Virtues that consists in the judicious pursuit of our own private interest and happiness which solely aims at the proper control and direction of our selfish affections. This class is those virtues that consist in prudence (Smith, 1759:266). Virtues that consist in those affections only which aim at the happiness of others, not in those which aim at our own. This class is those virtues that consist in benevolence (Smith, 1759:267). In other words, according to these three accounts, the habitual condition in character that is virtuous and wise can be deduced from propriety, or what is deemed right under circumstances, or to maximize pleasure and avoiding pain by being prudent in conduct or being benevolent to others.

5.2.1 VIRTUES THAT CONSIST IN PROPRIETY

In this section, I examine those systems which make virtues consist in propriety. This system relies on the pretext that virtue consists in the propriety of conduct, or in the suitability of the affection from which we act to the object that excites it (Smith, 1759:267). In Adam Smith's analysis, he provides an account of the work by Plato, Aristotle and that of Zeno, the founder of the Stoical doctrine. As the Stoic philosophy has a primary influence on Adam Smith's ethical thought (Raphael & Macfie, 1982:5), I elect to first provide a detailed account of the system in the Stoical doctrine. Thereafter I reflect briefly on the account by Plato and Aristotle.

5.2.1.1 THE STOICAL PHILOSOPHY

The Stoical philosophy rely on the pretext that nature point out to us and create within us, the desire and preference to pursue health, strength, agility and ease of body as well as external conveniences which could promote, wealth, power, honours, the respect and esteem of those we live with (Smith, 1759:272). These desires or affections are pointed out to us as things eligible. Among these affections which nature recommend to us as eligible, was the prosperity of our family, of our relations, of our friends, of our country, of humankind and of the universe in general (Smith, 1759:274). In pursuit of these desires and affections that are made eligible by nature, the Stoical doctrine articulate very clearly that nature also teach us, that as the prosperity of two was

preferable to that of one, that of many, or of all, must be infinitely more so. That we, ourselves were but one and that consequently wherever our prosperity was inconsistent with that, either of the whole, or of any considerable part of the whole, it ought, even in our own preferences, to yield to what was so vastly preferable (Smith, 1759:274). If we are wise and equitable, the Stoical doctrine of virtue uphold the very important principal that we ought most of all to desire, the prosperity and order of the whole (Smith, 1759:274). It therefore follows, argues Zeno, the founder of the Stoical doctrine, that a wise person never complains of the destiny of Providence, nor thinks that the universe is confused when he is out of order (Smith, 1759:276). In so far as the relativity of our action and more importantly, our rank in the universe is concerned, Zeno argue that “the wise man does not look upon himself, separated and detached from every other part of nature, to be taken care of by itself and for itself. “He regards himself in the light in which he imagines the great genius of human nature and of the world, regards him” (Smith, 1759:276).

The Stoical founder, at least in my mind and perhaps also in Adam Smith’s mind, made a profound point that the virtuous person enters, if I may say so, into the sentiments of that divine Being and consider himself as an atom, a particle, of an immense and infinite system, which must and ought to be disposed of, according to the convenience of the whole (Smith, 1759:276). It therefore follows that the virtuous person’s happiness consist altogether, first, in the contemplation of the happiness and perfection of the great system of the universe, of the good government of the great republic of God’s and humankind, of all rational and sensible beings and, secondly, in discharging a person’s duty, in acting properly in the affairs of his great republic whatever little part that wisdom had assigned to the person (Smith, 1759:277). For this reason, the virtuous person ought to accept with equal joy and satisfaction, whatever fortune can befall the person. Riches or poverty, pleasure or pain, health or sickness, all is alike: nor would the virtuous person desire that God should in any respect change the person’s destination (Smith, 1759:277).

Following on this philosophical drift, the affections of the virtuous person are all absorbed and swallowed up in the following two great affections: Firstly, in the discharge of the person’s own *duty*. Secondly in that for the *greatest possible happiness* of all rational and sensible beings (Smith, 1759:277). In attainment of these two principal affections, the virtuous person, according to the Stoics, rely as security on the wisdom and power of the great superintendent of the universe (Smith, 1759:277). The virtuous person therefore trusted, whatever the event, occurrence or challenge, on a superior power and wisdom for turning it in a way that could promote the great end which he himself was most desirous of promoting (Smith, 1759:277).

Because the virtuous person relies on the security of the great Superintendent of the universe for power and wisdom, the propriety of the person’s action and the rule which God had given such a person for the direction of the person’s conduct, required of the person to choose and reject events of happiness or other affections,

not because he regarded the one as in themselves in any respect better than the other, or thought that his own happiness would be more complete in what is called the fortunate, than in what is regarded as the distressful situation. His only concern would rather be the discharge of his own duty and in that for the greatest possible happiness of all rational and sensible beings” (Smith, 1759:277).

As the virtuous person becomes thoroughly acquainted with the propriety of preferences [behaviour of preferences in terms of standard principles of morality] the order, the grace, the beauty which we discerned in this conduct, the happiness which we felt resulted from it, necessarily appeared to us of much greater value than the actual obtaining of all the different objects of preferences, or the actual avoiding of all those of rejection (Smith, 1759:278). From this propriety, the Stoics asserts, arose the happiness and the glory; from the neglect of it, the misery and the disgrace of human nature (Smith, 1759:278). Because of this behaviour of preferences, the exact observation of this propriety is easy on all occasions and his passions can be brought under perfect subjection to the ruling principles of his nature (Smith, 1759:278). In this manner, the one who is the master of all his passions, does not dread any circumstances in which the superintendent of the universe may think proper to place him (Smith, 1759:278). The bounty of that divine Being has provided him with virtues which render him superior to every situation. If it is pleasure, he has temperance to refrain from it, if it is pain, he has constancy to bear it; if it is danger or death, he has magnanimity and fortitude to despise it (Smith, 1759:278). Accordingly, it appears that the Stoics have considered human life, as a game of great skill; in which, however, there was a mixture of chance, or what is vulgarly understood to be chance. In such games the stake is commonly a trifle and the whole pleasure of the game arises from playing well, from playing fairly and playing skilfully (Smith, 1759:279).

Adam Smith (1759:292), in his critique of the Stoic’s doctrine, maintains the view, that a person is rather occupied with those events and affections that have an immediate effect on ourselves, such as our friends and our country. Events which interest us the most and which chiefly excite our desires and aversions, our hopes and fears, our joys and sorrows (Smith, 1759:292) and which immediately affect that little department in which we ourselves have some little management and direction (Smith, 1759:292) are these events that excite our attention. Accordingly, Adam Smith (1759:292) is of the view that nature has not prescribed to us this sublime contemplation (as proposed by the Stoics) as the great business and occupation of our lives. Adam Smith (1759:292) therefore holds an opposing view to that of the Stoical philosophy that teaches us (according to Adam Smith’s analysis),

...to interest ourselves earnestly and anxiously in no events, external to the good order of our own minds, to the propriety of our own choosing and rejecting, except in those which concern a department where we neither have nor ought to have any sort

of management or direction, the department of the great superintendent of the universe.

“If, however, notwithstanding our most faithful exertions, all the events which can affect this little department, should turn out the most unfortunate and disastrous” (Smith, 1759:292). Adam Smith (1759:292) concur with the Stoic view that nature has by no means left us without consolation.

Adam Smith’s (1759:292) assertion is that [an assertion not included in the Stoic doctrine] consolation may be drawn, from the complete approbation of the person within the breast [*The Impartial Spectator*], but, if possible (a view shared by Stoics) from the still nobler and more generous principle, from a firm reliance on and a reverential submission to, that benevolent wisdom which directs all the events of human life and which, we may be assured, would never have suffered those misfortunes to happen, had they not been indispensably necessary for the good of the whole. Adam Smith (1759:293) therefore holds the view that the Stoic doctrine as prescribe to us, endeavouring not merely to moderate, but to eradicate all our private, partial and selfish affections. In their endeavours, Adam Smith argue, the Stoic doctrine, at least as it applies to the great business and occupation of our lives, would render us altogether indifferent and unconcerned in the success or miscarriage of everything which nature has prescribed to us as the proper business and occupation of our lives. It is therefore, Adam Smith’s (1759:293) assertion that the reasoning of philosophy, though they may confound and perplex in understanding, can never break down the necessary connection which nature has established between cause and their effects. The causes which naturally excite our desires and aversions, our hopes and sorrows, would no doubt, despite all the reasoning’s of Stoicism, produce on everyone, according to the degree of his actual sensibility, their proper and necessary effects.

From Adam Smith’s (1759:292) vantage point he upholds the notion that Nature has prescribed to us that our proper business and occupation of our lives is rather to moderate our private, partial and selfish affections, instead of endeavouring to eradicate same. In this regard, Adam Smith (1759:293) recon that the great inmate – *The impartial spectator* would empower as with the ability to shape and guide our individual behaviour and preferences. To direct the judgements of this inmate is the great purpose of all systems of morality (Smith, 1759:293). Adam Smith (1759:293), however, upheld the view that the judgements of the person within the breast, however, might be a good deal affected by those reasoning’s (of the Stoics) and that the great inmate might be taught by them to attempt to overcome all our private, partial and selfish affections into a more or less perfect tranquillity. The Stoics account of virtue resonate right through the entire corpus of Adam Smith’s *classical exchange model*. Though Adam Smith accentuates a different dimension, he in many instances reiterate the Stoics’ account of virtue, notably the discharge of a person’s duty and the quest for the greatest possible happiness of rational and sensible beings. According to the Stoics’ account of virtue, all human behaviour and

the concurrent preferences we make, may be regarded as virtuous to the extent and degree of propriety vested on fulfilling and discharging our duty, moral and otherwise and in attainment of the greatest possible happiness of all rational and sensible beings. From Adam Smith's point of view, he considers all human behaviour and concurrent preferences to be virtuous and wise if such behaviour and preference moderate our private, partial and selfish affections, instead of endeavouring to eradicate them, which Adam Smith believes would be the consequence of the Stoic doctrine. He then concluded his account of the Stoics doctrine of virtue by stating that the Stoical philosophy had an enormous influence on the character and conduct of its followers; and that ... its general tendency was to animate them [the Followers] to actions of the most heroic magnanimity and the most extensive benevolence (Smith, 1759:293).

5.2.1.2 ON THE ACCOUNT OF PLATO

An overview observation of the Account of Plato which asserts that virtue consists in the propriety of conduct or in the suitableness of the affection, has a few similarities with the ethical thinking of Adam Smith. It is therefore considered relevant to reflect on the salient points of Plato's account, that Adam Smith included in his analysis of those systems which make virtue consist in propriety. This would contextualize Adam Smith's own account of virtue. Notably, Plato's reference to reason as the governing principle; the cardinal virtues of prudence, fortitude, magnanimity and justice and the classes or orders of passion that are the proper objects of reason as the governing principle. The striking similarity, or at least cohesiveness between the two accounts is revealed when we reflect on Adam Smith's own account. In the system of Plato, human beings have one faculty and two orders of passions that essentially constitute the soul which is considered like a little "republic" (Smith, 1759:267). According to Plato, our judging faculty is the faculty which determines not only what are the proper means for attaining any end, but also what ends are fit to be pursued and what degree of relative value we ought to put on each (Smith, 1759:267). This faculty is called, by Plato, reason. Plato therefore consider reason as the governing principle that consider what is right (Smith, 1759:267). Under this appellation, wrote Adam Smith (1759:267),

...it is evident, he [Plato] comprehend not only that faculty by which we judge of truth and falsehood, *but* [authors accentuation] that by which we judge of the propriety or impropriety of desires and affections.

Accordingly, our behaviour and preferences are founded on reason. As Plato considers reason to be the governing principle, it is not surprising that Plato asserts that the just and clear discernment of the ends which are proper to be pursued and of the means which were proper for attaining them, have to be founded on general and scientific ideas (Smith, 1759:268).

The different order of passion and appetites, which are the natural subjects of the ruling principles, are reduced to two different orders (Smith, 1759:267). Firstly, pride and resentment or what is also called the “irascible part of the soul.” This order also includes the passions of ambition, animosity, the love of honour and the dread of shame, the desire of victory, superiority and revenge (Smith, 1759:268). This group is referred to as “spirit or natural fire” (Smith, 1759:268). The second order consists of those passions which are founded in the love of pleasure. This order understands all the appetites of the body, the love of ease and security and all the sensual gratifications. This order is the concupiscible part of the soul (Smith, 1759:28).

Both these orders are so apt to mislead us and rebel against their master - being reason. However, they are still deemed necessary parts of human nature because of the following reasons. Firstly, the order of passion that consist of pride and resentment are given to defend us against injuries, to assert our status and dignity in this world. The second order is to provide for the support and necessities of the body (Smith, 1759:268). To bring these orders of passion under control, require a certain strength, acuteness and perfection of the governing principles, or a sense of wisdom that is essentially the virtue of prudence. This is the first of the four cardinal virtues in Plato’s account. The virtue of prudence, according to Plato, consist in a just and clear discernment, founded on general and scientific ideas, of the ends which were proper to be pursued and of the means which were proper for reaching them (Smith, 1759:268).

The second cardinal virtue, according to Plato’s account, constitute the virtue of fortitude and magnanimity. This virtue is constituted when the first order of passion, founded in pride and resentment has a degree of strength and firmness, which enables them, under the direction of reason, to dispose all dangers in the pursuit of what was honourable and noble (Smith, 1759:268). Ultimately, when the irascible and the concupiscible passions are in concord with what reason approve and reason do not have to command anything, but what our passions rightly and justifiably on their own accord were willing to pursue and perform, this happy composure, this perfect and complete harmony of soul, constituted that virtue which is expressed by a word (wisdom) which we commonly translate temperance, but which might more properly be translated good temper, or sobriety and moderation of mind (Smith, 1759:268-268) – This is the third of the four cardinal virtues.

Justice, in terms of Plato’s account, is the last and greatest of the four cardinal virtues (Smith, 1759:269). Justice is achieved according to this system when the judging faculty and the two orders of passion confirmed itself to its proper task, without attempting to encroach on that of any other, when reason directed passion obeyed and when each passion performed its proper duty and exerted itself towards its proper object easily and without reluctance and with that degree of force and energy, which was suitable to the value of what it pursued. In this, consisted that complete virtue, that perfect propriety of conduct, which Plato, after some of the ancient

Pythagoreans, denominated justice (Smith, 1759:269). The word justice has, however, to be seen in a broader context as the word expressed in the Greek language. In order to contextualize Adam Smith's use of the word justice as it appears more clearly in a subsequent section of this chapter, I deem it useful to reflect on the broader interpretation of the word justice as observed by Adam Smith and more fully described in his account of the Plato system of virtue. In a broader context, the word justice at least according to Plato's account, also implies commutative justice and distributive justice. These two applied interpretations of the word justice go to the root of Adam Smith's *classical exchange model* as it appears in later sections. Let us first reflect on the concept of commutative justice.

The first sense of the word justice, coincides with what Aristotle and the School-men called commutative justice, which consists in abstaining from what is another's and in doing voluntarily whatever we can with the right intention (Smith, 1759:269). In this sense, we are said to do justice to our neighbour when we abstain from doing him any positive harm and do not directly hurt him, either in his person, or in his estate, or in his reputation (Smith, 1759:269). In another sense of the word, distributive justice implies that we do injustice to our neighbour unless we conceive for him all that love, respect and esteem, which his character, his situation and his connection with ourselves, render suitable and proper for us to feel and act accordingly (Smith, 1759:269). This sense of justice consists also in proper beneficence, in applying what is our own to, those purposes either of charity or generosity and to which it is most suitable, in our situation, that it should be applied (Smith, 1759:270). In this sense, justice understands all the social virtues (Smith, 1759:270). Both commutative and distributive justice as it appears in subsequent sections are fundamental to Adam Smith's exchange model and the temper of mind that he recommend ensuring greater wealth and prosperity as made possible according to each own situation.

There is yet another sense in which the word justice is sometimes taken. It is still more extensive than either of the former and embodies perfect conduct and behaviour. It includes not only the character and nature of both commutative and distributive justice, but also of every other virtue, of prudence of fortitude and of temperance (Smith, 1759:270). In this sense of the word, a person [or for that matter, a society as a whole] is said to be unjust when we do not seem to value any particular object with that degree of esteem, or to pursue it with that degree of ardour, which to the impartial spectator may appear to be observant of or to be naturally fitted for our attention (Smith, 1759:270). Adam Smith (1759:270) employs the following example to illustrate the application. We do injustice to a poem, or a picture, when we do not admire them enough and we are said to do them more than justice when we admire them too much. Adam Smith (1759:270) then made a startling observation from the account of Plato, in asserting that in the same manner, we are said to do injustice to ourselves when we appear not to give enough attention to any object of self-interest. This observation is fundamental to Adam Smith's *classical exchange model*.

In the last sense, wrote Adam Smith (1759:270) “what is called justice means the same thing with exact and perfect propriety of conduct and behaviour and comprehends in it, not only the offices of both commutative and distributive justice”, *but* [author’s emphasis] of every other virtue, of *prudence*, of fortitude and of temperance. It is in this last sense, wrote Adam Smith (1759:270) that “Plato evidently understands what he calls justice and which therefore, according to him, comprehends in it the perfection of every sort of virtue.” By implication, a person that does not pay enough attention to any object of self-interest, act and behave unjustly to himself and others and cannot fully comprehend the perfection or propriety of the orders of passion, the governing principle for reason, or every sort of virtue or inner moral strength. This account by Plato coincides in every respect with what Adam Smith (1759:270) said concerning the propriety of conduct.

5.2.1.3 VIRTUE ACCORDING TO ARISTOTLE

Aristotle’s view of virtue, as a disposition or state of character, in several ways articulate the underlying ethical and economic thoughts of Adam Smith’s *classical exchange model*. It is evident from Adam Smith’s (1759:270) own reflection of Aristotle’s account of virtue. More pertinently the following salient points require our attention. Firstly, the habit of mediocrity. Secondly, the habit of moderation. The habit of mediocrity and moderation are according to Aristotle and as reflected upon by Adam Smith, virtues that consist in practical habits. In this context, the habit of mediocrity and moderation are practical interpretations of virtue as a disposition or state of character that concern itself with a preference between two opposite vices and, consist of a mean which is determined by reason (Smith, 1759:270). Accordingly, virtue according to Aristotle, consists in the habit of mediocrity and moderation according to right reason (Smith, 1759:270). Every virtue, according to Aristotle (Smith, 1759:270) “lies in a kind of middle between two opposite vices, of which the one offends from being too much, the other from being too little affected by particular species of objects.” Such is the virtue of frugality – a virtue that Adam Smith (1759:271) very much relies on in his *classical exchange model* as a state of character or temper of mind. It lies in the middle between avarice and profusion, of which the one consists in an excess, the other in a defect of the proper attention to the objects of self-interest.

Magnanimity, as a temper of mind, that Adam Smith (1759:271) argues, goes to the root of distributive justice in the same manner, lies in a middle between the excess of arrogance and the defect of pusillanimity, of which the one consists in being too extravagant, the other in too weak a sentiment of our own worth and dignity. The virtue of fortitude or courage lies in the middle between the opposite vices of cowardice and of presumptuous rashness, of which the one offends from being too much and the other from being too little affected by the rights of fear (Smith, 1759:270-271)

I now wish to reflect on the second point that Adam Smith included in his reflection of Aristotle's account which I deem relevant. According to Aristotle, "virtue did not so much consist in those moderate and right affections, as in the habit of moderation" (Smith, 1759:271). For Aristotle, virtue is to consist in practical habits and not a single action. For instance, a person that makes a generous donation undoubtedly is performing a generous and virtuous action. But the person who performs it, is not necessarily a generous person because it may be a single action of the kind which the person ever performed (Smith, 1759:271). Aristotle therefore and I suspect Adam Smith (1759:271) concur [because of Adam Smith's later observations], that the motive and disposition of heart [mind], from which this action was performed, may have been quite just and proper: but as this happy mood seems to have been affected rather of accidental humour than of anything steady or permanent in the character, it can reflect no great honour on the performer. This aspect of Aristotle's account has been well reflected in Adam Smith's own analysis of the correct temper of mind that is rather growth inducing than not. As in the case of Adam Smith's (1759:271) account of virtue [see subsequent section], in Aristotle's account, a character or temper of mind can only be denominated as generous or charitable, or virtuous in any respect only and only when the dispositions [state of character] expressed by each of those appellations is the usual and customary disposition of a person. This point is very relevant for our future analysis of the correct temper of mind, simply because, a single action of any kind, how proper and suitable, however, are of little consequences to show that a person is indeed virtuous and of a correct and proper mind. What is needed is that a person ought to change his usual train of behaviour by continuously developing practical habits that is virtuous and wise. Adam Smith (1759:272) therefore wrote in his analysis of Aristotle's account that Aristotle *too* [reflection of Adam Smith's views] when he made virtue to consist in practical habits, had it probably in his view to oppose the doctrine of Plato, who seem to have been of [the] opinion that just sentiments and reasonable judgements concerning what was fit to be done or to be avoided, were alone sufficient to constitute the most perfect virtue.

In support of the assertion of Aristotle that virtues consist in practical habits, Adam Smith (1759:272) then proceeds to explain that virtue, according to Plato, might be considered as a species of science and no person, he [Plato] thought, could see clearly and demonstratively what was right and what was wrong and not act accordingly. Adam Smith (1759:272) then continued to emphasize the point that Aristotle, on the contrary believed that good morals arose not from knowledge but from action. This emphasis on practical interventions and actions cannot be emphasized enough. I return to the importance thereof in the section dealing with the tenor of conduct and state of character recommended by Adam Smith as prerequisites for his *classical exchange model*.

The account of the Stoic doctrine, that of Plato and of Aristotle, that virtue consist of propriety and Adam Smith's critique and concurrence, highlight some very salient aspects that resonate through Adam Smith's own account of the nature of virtue. Let us just reflect on those salient aspects.

- The Stoic philosophy rely on the pretext that nature point out to us and create within us, the desire and preference to pursue health, strength and agility and ease of body as well as external conveniences which could promote, wealth, power honours, the respect and esteem of those we live with. But because a person ought not to look upon himself, separated and detached from every part of nature, the virtuous person not only take care of himself but also uphold the principle that the highest desire of all is rather the prosperity and order of the whole.
- Accordingly, the happiness of the virtuous person consists altogether, first, in the contemplation of the happiness and perfection of the great system of the universe, of the good government of the great republic of God's and humankind, of all rational and sensible being and secondly, in the discharging his duty, in acting properly in the affairs of his great republic whatever little part that wisdom had assigned to man.
- In attainment of these, the virtuous person's affections, are all absorbed and swallowed up in two great affections. In the discharge of his own duty and in that for the greatest possible happiness of all rational and sensible beings.
- Because the virtuous and wise person rely on the security of the great superintendent of the universe for power and wisdom, the correctness or incorrectness ("Propriety") of the person's actions and the rule which God has given the person for the direction of the person's conduct, required of the person to choose and reject events of happiness or other affections not because the person regarded the one as in themselves in any respect better than the other, or thought that the person's own happiness would be more complete in what is called the fortunate, than in what is regarded as the distressful situation. The person's only concern would rather be the discharge of the person's duty and in that for the greatest possible happiness of all rational and sensible beings.
- The Stoics therefore asserts, that happiness and glory arise as the virtuous person become thoroughly acquainted with the propriety of preferences (in terms of standard principles of morality). The order, the grace, the beauty which a person discerned in his conduct, the happiness which one feel resulted from it, is because the virtuous person experience greater joy and happiness from the propriety of preferences [knowing and being able to make an appropriate preferences] than the actual attaining of all the different objects of preferences, or the actual avoiding of all these rejections.
- These fundamental principles of the Stoic doctrine resonate right through Adam Smith's own account of the nature of virtue. For instance, the principle of self-command, the

emphasis on duty and the pursuit of the greatest possible happiness and the contemplation of the happiness of the great system of the universe.

- Where Adam Smith differs, is that he is of the view that a person ought to rather occupy a person itself with those events and affections that have an immediate effect on oneself, one's friends and country. Adam Smith held the view that we ought to interest ourselves earnestly and anxiously in those events that are internal to the good order of our minds. Instead of those, external events where we have nor ought to have any sort of management or direction.
- From Adam Smith's vantage point, he upholds the notion that nature has prescribed to us that our proper business and occupation of our lives is rather to moderate our private, partial and selfish affections, instead of endeavouring to eradicate same.
- With this position, Adam Smith follows quite the same line of thinking as Aristotle that assert that virtues consist in practical habits. The habit of mediocrity and moderation. For Aristotle, right action ["Property"] and virtuousness lies in a kind of middle between two opposite vices, of which the one offends from being too much, the other from being too little. For instance, the virtue of frugality – a virtue that Adam Smith very much relies on in his exchange model, is a state of character or temper of mind, that lies in the middle between avarice and profusion of which one consist in an excess, the other in a defect of the proper attention to the objects of self-interest.
- For Aristotle, virtue did not so much consist in those moderate and right affections, as in the habit of moderation. This aspects coming through in Adam Smith's own ethical thinking as he concurs with Aristotle, that the disposition [State of character] or the virtuousness of an action or an object is not found in the propriety of being just and proper, but rather more importantly in the usual and customary disposition of a person's action or the utility of an object, Adam Smith emphasizes the point, not only in his analysis of Aristotle's account of the nature of virtue, but also right through the corpus of his work that good morals arise not from knowledge and reason but from the habit of conduct and action.
- Regarding Plato's account, there are several similarities with Adam Smith's own ethic. Though Plato asserts that reason is the governing principle, Plato observed that the strength, acuteness and perfection of the governing principles is placed in the essential virtue of prudence. The virtue of fortitude and magnanimity further amplify this virtue of prudence – These are virtues that Adam Smith accentuate in his own account of virtue. The same hold true for Plato's account of the virtue of temperance and justice. Justice, like in the account of Adam Smith is regarded by Plato as a cardinal virtue. In Plato's account of justice, justice is achieved when the three faculties of mind, that determine the proper means, the ends and the degree of relative value put on each, are in balance or at ease and by implication the soul, being the constituted whole of the three faculties is

undisturbed. This is the state of mind according to Plato when reason directed, passion obey and when each passion performs its proper duty and exerted itself towards its proper object easily and without reluctance and with that degree of force and energy, which was suitable to the value of what is pursued. Adam Smith's understanding of justice, at least in my view is more existential and practical, as justice imply both distributive and communicative justice. The latter coincides with what Plato refer to as abstaining from what is another's and in doing voluntary whatever we can with propriety be forced to do so. In this sense, we are said to do justice to our neighbour when we abstain from doing him any harm and do not directly hurt him, either in person, in his estate, or in his reputation. Regarding distributive justice, we do not do justice to our neighbour unless we conceive for him all that love, respect and esteem. For instance, it consists in proper beneficence, when we apply what is our own to the benefit of others through either charity or generosity. In applying these two concepts of justice, Adam Smith asserts that we do injustice when we do not seem to value any particular object with that degree of esteem, or to pursue it with that degree of ardour dictated by our conscience and in the same manner, we do not to give enough attention to any particular object of self-interest. This last aspect of Plato's account of virtue resonates in Adam Smith's own account of virtue. It also clarifies and amplifies the relative degree of self-interest actions that are central to Adam Smith's *classical exchange model*. In a contextual analysis, considering the character of justice, being both commutative and distributive, self-interest actions cannot be construed to imply either selfishness or rapacity. To the contrary, self-interest actions rather imply that we ought to give sufficient attention to any particular object of self-interest with that degree of propriety and esteem dictated by our conscience.

5.2.2 VIRTUES THAT CONSIST IN PRUDENCE

Of all the systems which make virtue consist in prudence, Adam Smith (1759:294), in his examination of the different accounts, which have been given of the nature of virtue, chose to reflect on the most ancient of those systems, the philosophical doctrine of Epicurus, who is said to be borrowed all the leading principles from particularly Aristippus. Aristippus, is the founder of the Cyrenaic school of philosophy, which regarded pleasure as the sole end of action. A brief overview of the philosophical doctrine of Epicurus and then more pertinently the critique by Adam Smith on the doctrine, would greatly aid us in gaining further insight into Adam Smith's own thinking and his own scale of values. This would bring us a step closer to find what were the views on aspects on human behaviour which have led Adam Smith to conceptualize his *classical exchange model* and furthermore those habits of good character that Adam Smith recommended in attainment of wealth and prosperity. According to Epicurus, wrote Adam Smith (1759:295)

“bodily pleasure and pain were the sole ultimate objects of natural desire and aversion.” For Epicurus, the tendency to procure pleasure, rendered power and riches desirable, as the contrary tendency to produce pain, made poverty and insignificance, the objects of aversion (Smith, 1759:295). It therefore follows that honour and reputation were valued, because the esteem and love of those we live with were of the greatest consequence both to get pleasure and to defend us from pain (Smith, 1759:295).

To understand the philosophical construct of Epicurus one has to understand his distinction between bodily pleasure and pain and pleasure and pains of the mind, though ultimately derived from the body. The distinctive nature, is principally a qualitative or dimensional variance in experience. Essentially, the body felt only sensation of the present instant, whereas the mind felt also the past and the future, the one by remembrance, the other by anticipation and consequently both suffered and enjoyed much more (Smith, 1759:295). Since our happiness and misery, therefore, depended chiefly on the mind, Epicurus remains of the view that if this part [the mind] of our nature was well disposed, if our thoughts and opinions were as they should be, it was of little importance in what manner our body was affected (Smith, 1759:296). For this reason, we might still enjoy a considerable share of happiness, even though we are under great bodily pain, provided that our reason and judgement maintained their superiority. [As an international marathoner, this is surely, at least for me, worth the effort to remember the words of Epicurus]. Therefore, in the ease of body and security or tranquillity of mind, consisted according to Epicurus, the most perfect state of human nature, the most complete happiness which a person can enjoy (Smith, 1759:296). To obtain this great end of natural desire was the sole object of all the virtues, which according to him, were not desirable on their own account, but because of their tendency to bring about this situation (Smith, 1759:296).

Prudence for example though, according to this philosophy, the source and principle of all the virtues, was not desirable on its own account (Smith, 1759:296). It therefore follows, that a careful and laborious and circumspect state of mind, ever watchful and ever attentive to the most distant consequences of every action, could not be a thing pleasant or agreeable for its own sake, but because of its tendency to procure the greatest good and to keep off the greatest evil (Smith, 1759:296-297). The same nature, in terms of Epicurus's construct applies to the virtue of temperance which in short, was nothing but prudence with regard to pleasure. Accordingly, Epicurus argues that to abstain from pleasure, to curb and restrain our natural passions for enjoyment, which was the office of temperance, could never be desirable for its own sake. The whole value of this virtue [which is nothing but prudence] “arose from its utility, from its enabling us to postpone the present enjoyment for the sake of a greater to come, or to avoid greater pain that might ensue it” (Smith, 1759:297). In this regard and in particular in light of the theme of this

thesis, I wish to quote a very pertinent example that resonate this philosophical construct, according to Epicurus. According to Epicurus, we

...submitted to labour, to avoid the greater shame and pain of poverty and we exposed ourselves to danger and to death in defence of our liberty and property, the means and instruments of pleasure and happiness, or in defence of our country, in the safety of which our own was necessarily comprehended (Smith, 1759:297).

By the virtue of fortitude, we are enabled to do all this cheerfully, as the best which, in our present situation, could possibly be done. In this context, the virtue of fortitude in reality is no more than prudence, good judgement and presence of mind in properly appreciating pain, labour and danger, always choosing the less to avoid the greater (Smith, 1759:297).

Such is the doctrine of Epicurus concerning the nature of virtue (Smith, 1759:297). Adam Smith (1759:298) then concluded that this system is, no doubt, altogether inconsistent with that which he has been endeavouring to establish.

Let us now proceed to reflect on Adam Smith's critique of this doctrine. To aid in this analysis, I would summarize Adam Smith's critique in a point by point order, without unnecessarily giving a broad exposé.

Firstly, Adam Smith takes a very strong stance against the assertion that virtues were not desirable on its own account. Epicurus maintained that virtues, even though it may cause a careful and laborious and circumspect state of mind cannot be agreeable for its own sake, but on account of its tendency to produce the greatest goods and to keep off the greatest evils (Smith, 1759:296-7). According to Adam Smith (1759:298), by the wise contrivance of the Author of Nature, virtue is on all ordinary occasions, even with regard to this life, real wisdom and the surest and readiest means of obtaining both safety and advantage. Since the practice of virtue, wrote Adam Smith (1759:298) therefore, is in general so advantageous and that of vice so contrary to our interest, the consideration of those opposite tendencies undoubtedly stamps an additional beauty and propriety on one and a new deformity and impropriety on the other. Adam Smith (1759:298-9) therefore maintains that temperance, magnanimity, justice and beneficence, are approved as components of wisdom and prudence. By implication, the beauty and elegance of virtue is not primarily because of its utility, but rather applied wisdom to maintain the greatest degree of happiness and tranquillity. I return to this in a later section.

Secondly, in Adam Smith's critique he focuses on Epicurus's assertion that a person ought to be exclusively concerned with pleasure and pain as the sole ultimate objects of natural desire and aversion. His opposing assertion is that our success or disappointment in our undertaking must depend on the good or bad opinions [the relevance of this assertion becomes clearer in a later

section] which is commonly entertained by us and on the general disposition of those we live with, either to assist or to oppose us (Smith, 1759:298). It therefore follows from Adam Smith's (1759:298) assertion that a person should not exclusively be concerned with pleasure and pain, but rather to obtain the advantages by avoiding the unfavourable judgement of other. Adam Smith (1759:298), is therefore advocating, in the alternative to the assertion of Epicurus, that the surest, the easiest and the readiest way in attaining a favourable judgement is undoubtedly to render ourselves the proper objects of the former and not the latter. I refer to the assertion in a later section, dealing with the philosophical construct of *The Impartial Spectator*.

Thirdly, in Adam Smith's typical practical style, he cites a paraphrase by Socrates to articulate his critique even further. Do you desire, quote Adam Smith (1759:298) from Socrates, the reputation of a good musician? The only sure way of obtaining it, is to become a good musician. Adam Smith then proceeded to emphasize the thinking of Socrates that virtues ought to be practical. Virtues ought to be practical, because virtues are in general, so advantageous, beneficial and in one's interest. Virtues are indeed, beautiful and possess propriety and are an expression of the highest wisdom and most real prudence. Here Adam Smith (1759:298) refers to the nature of the Author of Nature.

Adam Smith (1759:298) continues to follow Socrates argument when he quotes that in the same manner, if you would be reckoned sober, temperate, just and equitable, *the best* way of acquiring this reputation is to become sober, temperate, just and equitable.

In the context of Adam Smith's (1759:298), earlier statement with regard to the judgement of others, it is not surprising that he quotes the famous statement by Socrates that "if you can really render yourself amiable, respectable and in the proper esteem. There is no fear of you not soon acquiring the love, the respect and esteem of those you live with" (Smith, 1759:298). Adam Smith therefore maintains the line of thinking, as opposed to Epicurus, that the advantages, beauty and express wisdom implies in the virtues of temperance, magnanimity, justice and beneficence are founded not only on the proper character of these virtues, but also under the additional character of the highest wisdom and most real prudence. And in the same manner, the contrary vices of intemperance, pusillanimity, injustice and malevolence and *sordid selfishness* [Authors accentuation], come to be disapproved of, not only under their proper characters but also under the additional character of the most short-sighted folly and weakness (Smith, 1759:298-9). Adam Smith (1759:295) is therefore critical of Epicurus's attempt to running up all the different virtues to this one species of propriety which Epicurus cite as "bodily pleasure and pain." Adam Smith (1759:299) relates this misconstruction by Epicurus to the philosophers in particular which are apt to cultivate with a peculiar fondness, as the great means of displaying their ingenuity, the propensity to account for all appearances from a few principles as possible. Adam Smith (1759:299) then concludes his critique of this misconstruction, by asserting that Epicurus "no

doubt, indulged this propensity still further, when he referred all the primary objects of natural desire and aversion to the pleasure and pains of the body.” This critique by Adam Smith, clearly indicates his own scale of values and more pertinently that Adam Smith upholds the assertion that virtue ought not be reduced or running up to a single primary object of the natural desires. Secondly that Adam Smith holds an opposing view contrary to the assertions by Epicurus that virtue did not deserved to be pursued for its own sake. The relevance hereof becomes more prevalent when I reflect on Adam Smith’s own understanding of virtues and then more pertinently the tone of temper and the tenor of conduct which he recommends in terms of his *classical exchange model*.

In his critique of Epicurus, Adam Smith’s own ethical thinking is further clarified. Let us momentarily reflect on these salient points that contextualize Adam Smith’s own account of the nature of virtue.

- Adam Smith took a different stance than that of Epicurus who asserts that bodily pleasure and pain were the sole ultimate objects of the natural desire and aversion. He asserts that a person should not exclusively be concerned with pleasure and pain but rather to obtain the advantages by avoiding the unfavourable judgement of others. This aspect of Adam Smith’s ethical thinking resonates right through all his assertions.
- However, Adam Smith, in a later section in *The Theory of Moral Sentiments* concurs with Epicurus’s assertion, that our happiness and misery is chiefly dependent on the mind. If the mind is well disposed of and if our thoughts and opinions are superior and just, it is of little importance in what manner our body is affected.
- Thirdly, Epicurus, in his account of the nature of virtue, reduces virtuous conduct to one superior virtue and then concluded that the value of virtuous conduct depends on its utility. Adam Smith holds a very strong opposing view and asserts that virtues are desirable on its own account. According to Adam Smith, virtues are real wisdom and the surest and readiest means of obtaining the greatest privileges in life.
- Adam Smith, in his critique of Epicurus, reaffirm his concurrence with Aristotle and Socrates views that virtues ought to be practical habits. The best way to be reckoned sober, temperate, just is to acquire the reputation of being sober, temperate, just and equitable.
- Adam Smith, therefore maintains the line of thinking, that the advantages, beauty and express wisdom that are implied in the virtues of temperance, magnanimity, justice and beneficence, find their character in real prudence.

5.2.3 VIRTUES THAT CONSIST IN BENEVOLENCE

An examination of those systems which make virtue consist in benevolence, provides us with further insight into Adam Smith's views with regard to the principle of self-love as opposed to that of benevolence, or differently said, selfish motive and public good. These two aspects of human nature are indeed fundamental to the required tone of temper or human behaviour that are recommended by Adam Smith and play a central role in his *classical exchange model*. These two aspects of his *classical exchange model* are very often misconstrued and misrepresented by opponents of Adam Smith's *classical exchange model* in their misplaced endeavour to expose the alleged fundamental flaw of self-interest behaviour, which these proponents uphold is the central core of Adam Smith's *classical exchange model*. On the contrary, opponents of Adam Smith's *classical exchange model* very often quote the absence of recognition for the relative importance of the maxim of public good or benevolence in his *classical exchange model* as a further proof that the *classical exchange model* is reliant on and principally promoting the maxim of self-interest action as the principle motivation of human economic behaviour and preferences. In his analysis of those systems which makes virtue consist in benevolence, Adam Smith reflects on the thinking of the late Hutcheson. According to David Raphael, Francis Hutcheson was a Professor of Moral Philosophy from 1730 to 1746. Adam Smith was his pupil in the late 1730's (Raphael & Macfie, 1982:3). Adam Smith (1759:301) relies on the thinking of Hutcheson, because Adam Smith viewed Hutcheson as undoubtedly, beyond all comparison, the most acute, the most distinct, the most philosophical and what is of the greatest consequence of all, the soberest and most judicious philosopher. However, Adam Smith (1759:300) in his account of those systems which make virtue consist in benevolence, also briefly touched on the thinking of what is known as the Platonists. Before I deal with Adam Smith's account of Hutcheson's thinking, I wish to highlight the following points that Adam Smith observed being the views of Platonists. According to Adam Smith (1759:300), the Platonists viewed that in the divine nature, benevolence or love was the sole principle of action and *directed the exertion of all the other attributes* [Authors accentuation]. The wisdom of the Deity according to the Platonists was employed in finding out the means for bringing about those ends which his goodness suggested, as his infinite power was exerted to execute them. (Smith, 1759:300). Benevolence is therefore viewed by the Platonists, cited by Adam Smith (1759:300) as the supreme and governing attribute and from which the whole excellency, or the whole morality was ultimately derived. The whole perfection and virtue of the human mind consisted in some resemblance or participation of the divine perfections and consequently, is being filled with the same principle of benevolence and love which influence all the actions of the Deity.

Adam Smith then referred to the assertions of the Platonists, [I refer to these assertions in the ethical analysis of Adam Smith's *classical exchange model*]. They held that it is by the actions of

charity and love only that we can imitate, as become us, the conduct of God and that we could express our humble and devout admiration of His infinite perfections. This is possible by fostering in our minds the same divine principles. In so doing, we could bring our own affections to a greater resemblance with His holy attributes and thereby become more proper objects of his love and esteem until at last we arrive at that immediate converse that is the great object of his philosophy, namely to raise us (Smith, 1759:300-1). Benevolence is therefore according to the Platonist, the supreme and governing virtue. Let me now return to Adam Smith's observations with regard to Hutcheson's thinking, thereafter I give an account of his critique of Hutcheson's views with regard to benevolence, public good and self-love – all terms relevant to Adam Smith's own views in this regard. "Benevolence is the most graceful and agreeable of all the affections" wrote Adam Smith (1759:301) because of the implied double sympathy. That is, its tendency to be beneficent on the one hand and on the other hand it is the proper object of gratitude and reward. Because of this dual effect, benevolence appears to our natural sentiment to possess a merit superior to any other (Smith, 1759:301). Accordingly, Adam Smith (1759:301) observes, Hutcheson's argument, that states that "benevolence bestows upon those actions which proceed from it, a beauty superior to all others." Adam Smith (1759:302) then proceed to give an account of Hutcheson's line of thinking and proof of evidence of the justness of this account of virtue [benevolence], more pertinently concerning the rectitude of conduct, the public good. He also acknowledges Hutcheson's observations that public good is the standard to which we ought to constantly refer to, thereby acknowledging that whatever tended to promote the happiness of humankind was right and laudable and virtuous and the contrary, wrong, blameable and vicious (Smith, 1759:302). Whatever intended most to the happiness of humankind is therefore morally good (Smith, 1759:302). Benevolence, is therefore according to this system, the only motive which could bestow upon any action the character of virtue and the greater the benevolence which was shown by any action, the greater the praise which must belong to it (Smith, 1759:302).

Central to this system of thought is therefore the greater community of the public good. The most virtuous of all affections, therefore, was that which embraced as its object the happiness of all intelligent beings. The least virtuous, on the contrary, of those to which the character of virtue could in any respect belong, was that which aimed no further than at the happiness of an individual (Smith, 1759:303).

Hutcheson's account of benevolence as a virtue therefore infers that,

...self-love was a principle which could never be virtuous in any degree or in any direction. It was vicious whenever it obstructed the general good. When it had no other effect than to make the individual take care of his own happiness, it was merely innocent and though it desired no praise neither ought it occur any blame. This benevolent action which was performed, despite some strong motive of self-interest,

were the more virtuous on that account. They demonstrated the strength and vigour of the benevolent principle (Adam Smith, 1759:303).

Let us now look at Adam Smith's critique of this system. This gives some insight into Adam Smith's views regarding self-interest motives, the mixture of self-interest motives and benevolence, the principle of public good and the welfare of society. This critique by Adam Smith ought to be read together with his views regarding Mandeville's assertion of vanity and the love and praise and commendation that follows onto this section. Only then could one come to a more just interpretation of Adam Smith's own values with regard to self-love as a virtuous motive of action and his objection to a simple interpretation of the love of praise and commendation as simply vanity. This would greatly assist to contextualize Adam Smith's recommendation that neither self-love nor benevolence could be viewed as the sole virtuous motive of action, but rather like in any competition, it ought to be balanced against all other virtues.

Let us now return to Adam Smith's critique of the system that holds that virtue consists of benevolence. Once again, I only reflect on his critique in a cursory manner with the purpose of bringing us closer to understanding Adam Smith's own scale of values. This includes what Adam Smith regards as virtuous motives of action and his recommended tone of temper for those that desire greater wealth.

- Firstly, like with other systems, Adam Smith (1759:304) is of the opinion that this system does not sufficiently explain the roots that gave birth to the peculiar excellence of the supreme virtue of beneficence. Accordingly, Adam Smith (1759:304) conclude that this system does not sufficiently explain that the roots from which arise our approbation of the inferior virtues of prudence, vigilance, circumspection, temperance, constancy and firmness. Adam Smith (1759:304) argues that the system only attends to the view and aim of our affections, the beneficent and hurtful effects that our affections give rise to. Accordingly, Adam Smith remain of the view that the propriety and impropriety, the suitableness and unsuitableness of our affections and the cause which excites them, are in Hutcheson's account of virtue disregarded altogether.
- Secondly, Adam Smith (1759:304) holds the view that with regard to our own private happiness, our self-interest too [*as opposed to the public good – authors interpretation*] appear on many occasions very laudable principles of action. "The habits of oeconomy, industry, discretion, attention and application of thought, are generally supposed to be cultivated from self-interest motives," wrote Adam Smith (1759:304). As such, though Adam Smith (1759:304) acknowledge that the mixture of a selfish motive, seems to sully the beauty of those actions which ought to arise from a benevolent affection, self-interest motives are very praise-worthy qualities, which deserve the esteem and approbation of everybody.

- Thirdly, Adam Smith (1759:304) argues that on many occasion, a person takes care of his health, his life, or his fortune, to which self-preservation alone ought to be enough to prompt him, yet he is doing so not only for his own advantage but also because of his regard to his family and friends. As such, we are not ready to suspect any person of being selfish (Smith, 1759:304). The cause of this, however, argues Adam Smith (1759:304), is not that self-love can never be the motive of a virtuous action, but that the benevolent principle appears in this case to demand its due degree of strength.
- In the same breath, Adam Smith (1759:304) advance the assertion that carelessness and want of economy [implying unjust demand of necessities and entertainment] proceeding from a want of benevolence [implying charity] are a lack of proper self-love rather than a need benevolence.
- It therefore follows that self-interest motives, desire the same esteem and approbation and it does not follow that the regard to the welfare of society should be regarded the sole motive of action but only that, in any competition, it ought to cast the balance against all other motives (Smith, 1759:304-5).
- Adam Smith (1759:305) conclude his critique of those systems which make virtue consist in benevolence, with an acknowledgement that benevolence may perhaps, be the sole principle of action of the Deity and there are several, not impossible arguments which tend to persuade us that it is so. Adam Smith then made the assertion, which I believe goes to the very essence of his *Classical exchange model* and resonate in many of his arguments. For this reason, I choose to cite the entire assertion as I refer to it later. Following on to Adam Smith's (1759:305) acknowledgement that benevolence *may* [authors accentuation] perhaps be the sole principle of action of the Deity he wrote:

but whatever may be the case with the Deity, so imperfect a creature as man, the support of whose existence requires so many things external to him, must often act from many other motives. The condition of human nature was peculiarly hard, if those affections, which, by the very nature of our being, ought frequently to influence our conduct, could upon no occasion appear virtuous, or deserve esteem and commendation from anybody.

Adam Smith therefore rely on the assertion that the act of benevolence, though noble and praiseworthy, cannot be the sole aim of human conduct. The reality, it appears, of the conditions of human nature, require that human behaviour is often than not, influenced by things external to him and as such may result in conduct that is less than perfect in virtue. With this observation, Adam Smith, however, does not imply that a person is indeed not capable of working towards an equitable balance between self-interest actions and behaviour and those actions that are deemed

more benevolent in nature. This becomes more evident when I reflect on Adam Smith's own account of the nature of virtue and then more particularly the nature of human sympathy that cause a person not only to act in a person's self-interest, but also to have due regard for the interest of others and the effects on others.

To illustrate this point, I now wish to reflect on a system of thought that take away the distinction between vice and virtue (Smith, 1759:308). In Adam Smith's account of the various systems that have been given of the nature of virtues, Adam Smith refer to this system of thought as a licentious system and elect to exclude this line of thinking from the systems which make virtue consist in propriety, prudence and benevolence. However, I have elected to reflect on the views of Mandeville in this regard, as Adam Smith (1759:308) holds a strong opposing view. Once I have reflected on this point, I return to the main text and conclude this section that relate to the different accounts which have been given of the nature of virtue. The next segment more specifically deals with Adam Smith's own account of the character of virtue.

The reason I have chosen to briefly reflect on Mandeville's account, is because this account reflects on human conduct as being done from a love of praise and commendation, or as he calls it, vanity. For reasons that will become more clear, Adam Smith (1759:309) holds a strong opposing view, that the desire of doing what is honourable and noble, of rendering ourselves the proper objects of esteem and approbation, cannot with any propriety be called vanity. Adam Smith (1759:309) argues that even the love of well-groomed fame and reputation, the desire of acquiring esteem by what is estimable, does not deserved this name.

As the human desire for esteem and approbation is central to our economic behaviour and preference, it is necessary to reflect on Mandeville's assertion and Adam Smith's opposing view. A view that holds that a person is indeed capable of attending to a person's self-interest while also having regard for the prosperity of others. Likewise, human desire for esteem and probation do not exclude people's innate nature to care for others. Adam Smith (1759:308) wrote that "Mandeville, considers whatever is done from a sense of propriety, from a regard to what is commendable and praise-worthy, as being done from a love of praise and commendation, or as he calls it from vanity." Mandeville, cites Adam Smith (1759:308), as saying "that man is naturally much more interested in his own happiness than in that of others and it is impossible that in his heart he can ever really prefer their prosperity to his own." Mandeville, according to Adam Smith (1759:308), therefore asserts that "whenever a person appears to do so, we may be assured that the person imposes on us and that a person is then acting from the same selfish motives as at all other times". Among a person's other selfish passions count vanity as one of the strongest because the person is easily flattered and greatly delighted with the applauses – praise and commendation – about the person (Smith, 1759:308).

When the person appears to sacrifice the person's own interest to that of the person's companions, the person knows that the person's conduct will be highly agreeable to their self-love and that they will not fail to express their satisfaction by bestowing upon the person the most extravagant praises (Smith, 1759:308). The pleasure that a person anticipates from this, overshadow, at least in the person's mind, the interest which the person abandons, to procure it (Smith, 1759:308).

This conduct of a person is indeed a very calculated one and indeed not free of expectations and reward. The pleasure which the person expects from this, over balance, in a person's opinion, the interest which the person abandons (Smith, 1759:308) is indeed to procure the praise of others. A person's conduct therefore, on this occasion, is in reality just selfish and arises from just a mean a motive as on any other (Smith, 1759:308). All public spirited action is therefore, according to Mandeville – “a mere cheat and imposition upon mankind and that human virtue which is so much boasted of and which is the occasion of so much emulation among man, is the mere offspring of flattery begot upon pride” (Smith, 1759:309). This is the account of Mandeville according to Adam Smith (1759:308-309).

Let us now reflect on Adam Smith's stance in this regard. But before I continue, let me just once more, clarify why I have decided to examine Mandeville's assertion and then more particularly why I regard Adam Smith's response of particular interest. As it would appear, Adam Smith's reply to Mandeville's assertion that human behaviour and preferences are essentially driven by the desire for praise and commendation, give us some insight into Adam Smith's scale of values in this regard. His insight is of particularly relevance as many students of Adam *Smith's classical exchange model* have a particular interpretation of Adam Smith's reference to opulence or at least the need to create and distribute opulence. Secondly, our modern-day consumerism as a derivative or interpreted growth strategy of Adam Smith's original *classical exchange model*, are, in my view at least, unashamedly advancing gratification and vanity to drive consumption, with the view that the ultimate increase in production and its intentional growth benefits will cause greater happiness to the largest number of the population. Though I do not deal with this issue at this point in time, I deem it prudent to reflect on Mandeville's assertion and Adam Smith's reply within the context of the nature of virtues as seen from the perspective of the various systems. I return to these observations in a later segment.

Let us now return to Adam Smith's reply. Firstly, Adam Smith (1759:306) does not deem it relevant to reply to the assertion by Mandeville, that “the most generous and public spirited actions may not, in some sense, be regarded as proceeding from self-love.” The reason being is, that Adam Smith (1759:309), as it has been reflected on in this thesis, consider self-interest as a virtuous motive of action. For this reason, Adam Smith (1759:309) set out only to show that the desire of doing what is honourable and noble, of rendering ourselves the proper objects of esteem and

approbation, cannot with any propriety be called vanity. Adam Smith (1759:309) holds the view that even of well-grounded fame and reputation, the desire of acquiring esteem by what is really estimable, does not deserve that name. Adam Smith's stance in this regard goes much deeper than semantics. To properly appreciate Adam Smith's (1759:309) critique in this regard, one has to carefully ponder over what he deemed to be well-grounded fame and reputation and what is really estimable and therefore worth enquiring.

Adam Smith, consider the following worth acquiring and therefore well-grounded fame that is desirable. The love of virtue which he regards the noblest and the best passion in human nature (Smith, 1759:309). Secondly, the love of glory, a passion which he regards as inferior to the former, but which in dignity appears to come immediately after it (Smith, 1759:309). Accordingly, Adam Smith (1759:309) regards the love of virtue and glory therefore praise-worthy. However, he holds the view that a person is guilty of vanity, when a person desires praise for qualities which are either not praise-worthy in any degree, or not in that degree which he expects to be praised for them. Adam Smith (1759:309) then made the inference that "those who sets his character on the frivolous ornaments of dress and equipage, or on the equally frivolous accomplishments of ordinary behaviour, are equally in love with vanity. A person, accordingly is regarded as guilty of vanity who desires praise for what indeed very well deserves it, but what he perfectly knows does not belong to him. He too, is said to be guilty of vanity who is not contented with the silent sentiments of esteem and approbation; who seems to be fonder of their noisy expressions and acclamations than of the sentiments themselves; who is never satisfied but when his own praise are ringing in his ears; who solicits with the most anxious importunity all external marks of respect who is fond of titles, of compliments, of being visited, of being attended and of being taken notice of in public places with the appearance of deference and attention" (Smith, 1759:310).

Adam Smith (1759:310) then inferred, that the frivolous passions is altogether different from either the love of virtue or the love of glory and is the passion of the lowest and the least of humankind, as the other two are of the noblest and the greatest. However, Adam Smith does acknowledge, that Mandeville's assertion that human desire of praise and commendation is nothing more than vanity, show some affinity with the love of true glory - one of the noble and praise-worthy character and behaviours of humans. The reason advanced by Adam Smith, is that both these passions aim at acquiring esteem and approbation. But they are indeed different, argues Adam Smith (1759:310), as the latter is just, reasonable and equitable passion, while the other is unjust, absurd and ridiculous. Likewise, Adam Smith infer that there is affinity too between the desire of becoming what is honourable and estimable and the desire of honour and esteem, between the love of virtue and the love of true glory. He therefore regards the person, who acts solely from the regard to what is right and fit to be done, from a regard to what is the proper object of esteem and approbation, though these sentiments should never be bestowed upon him, as acting from the

most sublime and godlike motive which human nature is even capable of conceiving (Smith, 1759:311).

“The man who, on the other hand,” wrote Adam Smith (1759:311), “who while he desires to merit approbation is at the same time anxious to obtain it, though he too is laudable in the main, yet his motives have great mixture of human infirmity.” He then made a very startling observation which I personally think is underlying many of our present-day personal agonies and behaviour, by inferring that such a person is in danger of being mortified by the ignorance and mystic of humankind and his happiness [conduct, behaviour and preferences] is exposed to the envy of his rivals and the folly of the public. The happiness of others, argues Adam Smith, is altogether secure and independent of fortune and the caprice of those he lives with.

This is the man - the noble and praise-worthy – who consider any contempt and hatred which may be thrown on him by the ignorance of mankind, as not belonging to him and neither is he at all mortified by it. Mankind despise and hate him from a false notion of his character and conduct – but if they knew him better they would esteem and love him. It is not him, the man would be argued whom, properly speaking, they hate and despise, but another person whom they mistake him to be (Smith, 1759:311).

“Such are the sentiments of a man of real magnanimity, when exposed to unjust censure. Such is the man who acts solely from a regard to what is right and fit to be done, from a regard to what is the proper object of esteem and approbation” wrote Adam Smith (1759:311).

Adam Smith (1759:312), is therefore strongly opposed to the endeavours of Mandeville to reflect on human virtues as imperfections and “commonly no more than a concealed indulgence of our passions.” He also criticized Mandeville’s treatment of those instance or actions of behaviour when a person falls short of the most ascetic abstinence, as gross luxury and sensibility. Adam Smith holds an opposing view to that of Mandeville, who consider everything as luxury which exceeds what is absolutely necessary for the support of human nature. There are, however, conceded Adam Smith, some of our passions which have no other name except those which mark the disagreeable and offensive degree. But in this case, according to Adam Smith (1759:312) the spectator is more apt to take notice of them in this degree than is any other.

In conclusion, Adam Smith (1759:312) regards Mandeville’s assertion that every passion is wholly vicious and his treatment of everything as vanity as a great fallacy. Accordingly, Adam Smith (1759:313) argue, that even though Mandeville thinks it proper to bestow opprobrious names to fair and respectable human passion,

...the love of magnificent, a taste for the elegant arts and improvements of human life, for whatever is agreeable in dress, furniture, or equipage, for architecture, stationary, painting and music, though in some situation may be regarded as luxury, sensual and ostentatious, are public benefits, since without their innate qualities, the arts of refinement could never find encouragement and must languish for want of employment.

Should Mandeville's assertions therefore be true and justifying, there seems to be no real virtue, as that what pretend to be such, is a mere cheat and imposition on humankind. Secondly, that society only prosper and flourish because of private vices and real human passions that are viewed as mere cheat and impositions. As such, to overcome private vices and passions according to Mandeville, implies putting an end to all industry and commerce and in a manner to the whole business of human life (Smith, 1759:313). Something Adam Smith is vehemently oppose to.

Adam Smith's account of these systems which make virtue consist in benevolence gives us a greater insight into his views with regard to the principle of self-love as opposed to that of benevolence, or differently said, self-love and public good. In his account of benevolence, he examined the view of Hutcheson and then those of Mandeville that holds altogether an opposing view that humans are driven by vanity and that neither self-love nor benevolence have any propriety in its own right. Let us now reflect on those points that are relevant for our understating of Adam Smith's own ethical thinking and views on self-love, benevolence and vanity:

- Hutcheson, like the Platonists hold the view that benevolence is the supreme and governing virtue. Accordingly, public good is the standard to which we constantly have to refer to.
- Adam Smith acknowledge Hutcheson's assertion that public good is the standard of judgement, by being more specific in his inference, that whatever, tended to promote the happiness of humans is right, laudable and virtuous.
- According to this account of the nature of virtue, these benevolent actions which were performed, notwithstanding some strong motive of self-interest, are the more virtuous on that account and demonstrate the strength and vigour of the benevolent principles.
- The implication of this is that self-love can never be the motive of a virtuous action, but that the benevolent principles appears to be the superior virtue.
- Adam Smith holds the opposing view that with regard to our own private happiness and our self-interest, appear on many occasions, very laudable principles of action. He specifically cited the habit of the economy, industry, discretion, attention and application of thought that are generally supposed to be cultivated from self-interest motives.

- It therefore follows that self-interest motives desire the same esteem and propriety and it does not follow that the regard to the welfare of society should be regarded the sole motive of action.
- Accordingly, Adam Smith advance the notion that the virtue of benevolence ought to compete against all other.
- This is very clear from Adam Smith's inference that benevolence may perhaps be the sole principle of action of the Deity and that there are several, not impossible arguments which tend to persuade us that it is so. But a human, so imperfect a creature, require so many things external to the person, that many has to act from many other motives.
- Adam Smith therefore rely in the assertion that the act of benevolence, though noble and praise-worthy, cannot be considered to be the sole aim of human conduct. With this observation, Adam Smith does not imply that humans are indeed not capable of working towards an equitable balance between self-interest motivated actions and those actions that are deemed more benevolent in nature.
- With regard to Mandeville's account, that the primary motive of human conduct is neither the act of benevolence nor that of self-love, but rather the love of praise and commendation, Adam Smith's view this account of human conduct as licentious. He holds a strong opposing view that the desire of doing what is honourable and noble, of rendering oneself the proper object of esteem and approbation, cannot with any propriety be called vanity. He further argues that even the love of well-groomed fame and reputation cannot be called vanity.
- Adam Smith, contrary to Mandeville, asserts that the love of true glory, is one of the most noble and praise-worthy characters and behaviours of humans, but cannot be viewed as a simple desire for praise and commendation. They are indeed different, as the former is a just, reasonable and equitable passion, while the latter, especially if the person knows that it is not deserving and warranted, is unjust, absurd and ridiculous.
- Contrary to the love of praise and commendation, Adam Smith consider the love of virtue the noblest and the best passion in human nature. The love of glory which Adam Smith regards as inferior to the latter in dignity, appears to come immediately after it.
- Adam Smith therefore oppose Mandeville's assertion that all public spirited and self-interest actions are mere cheat and impositions on humankind.
- Likewise, Adam Smith infer that there is affinity between the desire of becoming what is honourable and estimable and the desire of honour and esteem – between the love of virtue and the love of true glory.
- Adam Smith, is therefore strongly opposed to the endeavours of Mandeville's to reflect on human virtues as imperfections and commonly no more than a concealed indulgence of our passions.

- Mandeville's assertion that every passion is wholly vicious and simply vanity, is therefore regarded by Adam Smith as a great fallacy. Should Mandeville's assertions be true and justifiable, there seems to be no real virtue, as that what pretend to be such is a mere cheat and imposition on humankind.
- Adam Smith therefore argue that respectable human passions, the love of magnificent, a taste for the elegant arts and improvements of human life, for whatever is agreeable in dress, furniture or equipage, for architecture, painting and music, though of some situations may be regarded as luxury, sensual and ostentatious, are public benefits since without their innate qualities, the arts of refinement could never find encouragement. As such, he strongly opposes Mandeville's assertions that implies that private vices and passions can only be contained by bringing an end to all industry and commerce in a manner that the whole business of human life will be unfavourably affected.

This conclude the various accounts of the character of virtue or temper of mind of the philosophers that Adam Smith scrutinized. Let us now consider Adam Smith's own account.

5.3 ADAM SMITH'S ACCOUNT OF THE NATURE OF VIRTUE

In the previously mentioned segment, I have examined Adam Smith's account of those systems which have been given of the nature of virtues by other philosophers. The examination was done in a manner that set out the broad philosophical outline of the different accounts and Adam Smith's critique of the underlying philosophy or doctrine. The aim of that segment is to contextualize Adam Smith's own account of the character of virtues or temper of mind. In this segment, I endeavour to examine Adam Smith's account of an individual person's behaviour and character so as it effects a person's own happiness, or of prudence; so far as it can affect the happiness of other people, or of benevolence and justice and of the virtue of self-command.

These virtues of character are clearly articulated in Part VI of *The Theory of Moral Sentiment*. Part VI has been included in Edition 6. As Part VI appears in Edition 6 that was published shortly before Adam Smith's death in 1790, the pronouncement, observations, analysis and inferences could therefore rightly be considered as further clarifications of the entire corpus of Adam Smith's works including the famous *Inquiry into the Nature and Causes of the Wealth Of Nations*, of which the fifth Edition and the last published in Adam Smith's lifetime appeared in 1789 (Cannan, 1976:xxiii). According to David Raphael and Alex Macfie, the editors of the Glasgow Edition of *The Theory of Moral Sentiments* published in 1982, (Raphael & Macfie, 1982:18), "Part VI in general, rounds out and clarifies rather than changes Adam Smith's ethical theory."

Part VI, on the character of virtue deals with the three virtues of prudence, beneficence and self-command. The first and third, according to Raphael and Macfie are interpreted by Adam Smith in a Stoic manner. Adam Smith (1759:VI.ii3) departs from Stoicism in his views on beneficence, but

even there, when he comes to discuss universal benevolence in Part VI.ii.3, he introduced Stoic ideas and Stoic language to a remarkable degree (Raphael & Macfie, 1982:6). Adam Smith's ethical doctrines, according to Raphael and Macfie are in fact "a combination of Stoic and Christian virtues – or, in philosophical terms, a combination of Stoicism and Hutcheson." These virtues have been always included in his ethical thinking, but the earlier versions (Raphael & Macfie, 1982:18) of his views did not set out so clearly their relative place in the scheme of things and did not say much of prudence. The increased attention to prudence in Edition 6 is a natural occurrence according to Raphael and Macfie (1982:18), as the more mature Adam Smith had pondered on economics and ethics for so long. In Edition 6, Adam Smith highlighted and accentuated the Stoic virtue of self-command which Adam Smith initially included in Edition 1. The more extensive treatment given to self-command in Edition 6 wrote Raphael and Macfie (1982:18), "suggest that Smith had now acquired an even warmer regard for Stoicism than he felt in earlier days." This is confirmed according to Raphael and Macfie (1982:18), both by the more elaborate treatment of Stoic philosophy as such, in Part VI.ii.1 and by the account of universal benevolence, in Part VI.ii.3, in terms of Stoic rather than the Christian doctrine. These accounts of the various virtues by Adam Smith would take us closer to the point where we may be able to contextualize those temper of mind, that Adam Smith recommended as constituting a character and human behaviour that is excellent and praise-worthy – that is regarded, for the purpose of this thesis, as implying the proper tone of temper of a person and society that is rather growth inducing than not. Let's proceed with the examination of the nature of virtue, or the temper of mind of prudence, in so far as the behaviour and preference of the individual, affects his own happiness.

5.3.1 THE VIRTUE OF PRUDENCE

The prudent person in Adam Smith's *Theory of Moral Sentiments* (Raphael & Macfie, 1982:18) is the frugal man in Adam Smith's *Inquiry into the Nature and Causes of the Wealth of Nations* published in Smith (1776). The prudent person, according to Adam Smith (1759:214), "though not always distinguished by the most exquisite sensibility is indeed characterized by the sober esteem of modesty, discretion and good conduct." The prudent person is essentially focused on the care of his health, of his fortune and his status and reputation, the objects on which his comfort and happiness in this life are supposed principally to depend (Smith, 1759:213). This is the proper business of that virtue which is commonly called prudence. When wise and judicious conduct is directed to greater and noble purposes than the case of health, the fortune, status and reputation (Smith, 1759:216) such conduct is frequently and very properly called prudence and is combined with many greater and more splendid virtues, with valour, with extensive and strong benevolence, with a sacred regard for the rule of justice and all these supported by a proper degree of self-command (Smith, 1759:216). Adam Smith (1759:316) wrote that this superior prudence, when carried to the highest degree of perfection, necessarily supposes the art, the talent and the habit

or disposition of acting with the most perfect propriety in every possible circumstances and situation. It necessarily supposes the utmost perfection of all the intellectual and of all the moral virtues (Smith, 1759:216). Adam Smith (1759:216) regards this tone of temper as “the best head joined to the best heart.” “It is indeed the most perfect wisdom combined with the most perfect virtue” (Smith, 1759:216).

Let us now reflect on this tenor of conduct of the prudent person, as it would enable us to comprehend Adam Smith’s recommended tone of temper of frugality and parsimony, in particular, which he so often relates to as being the character of individual behaviour that is more often growth inducing than not and essential to wealth creation and prosperity. Firstly, security, is the first and the principal object of prudence. According to Adam Smith (1759:213), it is averse to expose our health, our fortune, our status, or reputation, to any sort of hazard. He therefore recommended that one ought to be rather cautious than enterprising and more anxious to preserve the advantages which we already possess than to be prompted to the acquisition of still greater advantages (Smith, 1759:213).

The prudent person accordingly has no anxiety to change a comfortable situation and does not go in quest of new enterprises and adventures, which might endanger his fortune, health and dignity unless such adventures and enterprises increase the secure tranquillity which he actually enjoys (Smith, 1759:215). For this reason, when and if he enters into any new projects or enterprises, they are likely to be well concerted and well prepared. He can therefore never be hurried or drove into them by any necessity, but has always time and leisure to deliberate soberly and coolly concerning what are likely to be their consequences (Smith, 1759:215). The methods of improving our fortune in a prudent or secure manner, are therefore those which expose our health, fortune and dignity to no loss or hazard; that acquire real and applicable knowledge and skill in our trade or profession, assiduity and industry in the exercise of it and that promote frugality and even some degree of parsimony, in all our expenses (Smith, 1759:213).

The prudent person therefore acquires knowledge and skill and studies seriously and earnestly to understand whatever he professes to understand and not merely to persuade other people that he understands it (Smith, 1759:213). Adam Smith therefore recon that though the prudent person’s talent and skill may not always be very brilliant, he is always perfectly genuine. He is accordingly not ostentatious even of the abilities which he really possesses. For this reason, his conversation is simple and modest, and he is averse to all the quackish arts by which other people so frequently thrust themselves into public notice and reputation. In as far as his reputation in his profession is concern, he is naturally disposes to rely a good deal on the solidity of his knowledge and abilities (Smith, 1759:213).

With regard to the steadiness of his industry and frugality, Adam Smith's observation is that the person that act with prudence, would be prepared to sacrifice the ease and enjoyment of the present moment for the probable expectation of a still greater ease and enjoyment in future (Smith, 1759:215). This principle resonates right through Adam Smith's *classical exchange model*. For this reason, a prudent person lives within his income and is naturally contented with his situation, which, by continual, though it may be small accumulations, is growing better and better every day (Smith, 1759:215). The regard of prudency, according to Adam Smith (1759:215), "is that the prudent man is enabled to gradually to relax, both in the rigour and in the severity of his parsimony of his application and he feels with double satisfaction this gradual increase of ease and enjoyment, from having felt before the hardships which he experienced."

The prudent person therefore does not only live within his income, but he is also not willing to subject and take on responsibilities which his duty does not impose on him. When distinctly called on, wrote Adam Smith (1759:216),

...the prudent man will not decline the service of his country, *but he will not cabal to force* [Authors accentuation] himself into it and would be much better pleased that the public business was well managed by some other person, than that he himself should have the trouble and incur the responsibility, of managing it. In the balance of his heart he would prefer the undisturbed enjoyment of secure tranquillity, not only to all the vain splendour of successful ambition, but also to the real and solid glory of performing the greatest and most magnanimous actions.

The prudent person is furthermore always sincere (Smith, 1759:214). As he is cautious in his action, so he is reserved in his speech and never rashly or unnecessarily obtrudes his opinion concerning either things or persons. But though his conversation may not always be very sprightly or diverting, wrote Adam Smith (1759:214), he is

...always perfectly inoffensive. He is accordingly very thoughtful of being guilty of any petulance or rudeness. Likewise, the prudent person, never assumes impertinently over any body and, on all common occasions, is willing to place himself rather below than above his equals. Both in his conduct and conversation, he is an exact observer of decency and respect with an almost religious scrupulosity, with all the established decorum and ceremonials of society.

But, though he may be sincere and often command a certain cold esteem that seems not entitles to any very ardent love or admiration, the prudent person is always very capable of friendship. But his friendship according to Adam Smith (1759:214),

is not that ardent and passionate, but too often transitory affection, which appears so delicious to the generosity of youth and inexperience. It is sedate, but steady and faithfully attachment to a few well-tryed and well-chosen companions, in the preferences of who he is not guided by the giddy admiration of shining accomplishments, *but by the sober esteem of modesty, discretion and good conduct* [Authors accentuation].

“For this reason, the prudent person, though very capable of friendship and good neighbourliness, rarely fragments and more rarely figures in those convivial societies which are distinguished for the jollity and gaiety of their conversations.” (Smith, 1759:214). Their way of life, reckons Adam Smith (1759:214) might too often interfere with the regularity of his, the prudent person’s temperance, or might interrupt the steadiness of his industry and break in on the strictness of his frugality.

In examining the character of virtue of prudence, it is personally for me, very insightful, that earlier Editions of Adam Smith’s work of, *The Theory of Moral Sentiments*, did not say much of prudence (Raphael & Macfie, 1982:18). What is very insightful is that in Edition 6, published in 1790, as the last Edition, Adam Smith elected to incorporate a thorough examination of the character of the virtue of prudence. By this inclusion, I deduct, that Adam Smith concluded that the prudent person or the “frugal man” in *Wealth of Nations* (Raphael & Macfie, 1982:18), is indeed of fundamental importance to the nature and causes of wealth. Furthermore, it is insightful that Adam Smith’s examination of the various accounts of the character of virtue commence with the virtue of prudence. I therefore remain of the view that there are ample and compelling reasons to deduce that the character or tone of temper of the prudent person is indeed viewed by Adam Smith to be indeed growth inducing character or tone of temper worth pursuing in the desire to bettering the conditions of living and obtain the necessities, conveniences and amusement of life. Let’s once more summarize the most sublime character of the virtue of prudence.

- The prudent person, though not having at all times the most exquisite sensibility is indeed having a sober esteem of modesty, discretion and good conduct. The prudent person is therefore not impressed, nor driven by vanity, excessiveness and opulence to be praised and commended.
- The prudent person is focused on the proper task to care for his health, his fortune, status and reputation.
- When the prudent person carries his task to the greater and noble purposes that combines with valour, extensive and strong benevolence, with the sacred rule of justice and all supported by a proper degree of self-command, the prudent person develops the art, the

talent, habit and disposition of mind of acting with the most perfect propriety in every possible circumstance and situations.

- Furthermore, the prudent person is rather cautious than enterprising and work towards preserving the advantages which he already has acquired.
- For this reason, the prudent person will not necessarily expose his health, fortune and dignity to unnecessary loss or hazard.
- Likewise, though the prudent person's talent and skill may not be very brilliant, he is always perfectly genuine, steady in his industry and frugal.
- Therefore, the prudent person lives within his income and is naturally contented with his situation.

Adam Smith (1759:216) concluded his account of the virtue of prudence with a qualification asserting that,

...prudence, in short, when directed merely to the care of a person's health, fortune, status and reputation and of the rank and reputation, though it is regarded as a most respectable and even, in some degree, as an amicable and agreeable quality, will not be considered as one of the most endearing or of the most enabling of virtues. It commands a certain cold esteem but seems not entitled to any very ardent love or admiration.

However, what seems to demand and may be the cause of ardent admiration is the virtue of beneficence: first, towards individuals and secondly, towards societies. Let us now reflect on this virtue and Adam Smith's account of the behaviour and preferences of an individual person, in so far as it can affect the happiness of other people.

5.3.2 VIRTUE OF BENEFICENCE AND JUSTICE

Adam Smith's (1759:237) account of the virtue of beneficence, focus primarily on the disposition or inherent quality of mind of a person not to harm or hurt others and to take care of the happiness of his family, his friends and his country. In this sense, Adam Smith's account, accentuate rather those actions that can be taken to prevent or remove harm or to simply improve the situation of those that are recommended by nature to his care and attention. Adam Smith's account is therefore rather limited with regard to the general notion of benevolence, a term that articulate and accentuate the tone of temper of altruism, charity and doing good works - not that Adam Smith's account necessarily excludes such tenor of conduct. I think, the nuanced difference, reflect more on Adam Smith's own duality in his mind as to the efficacy of deeds of charity. Adam Smith's assertion is that the generosity of people towards their fellow people and the occasional help for those in need (Bryce, 1983:493) is but a temporary relief or an occasional relief. In terms of Adam Smith's *classical exchange model*, it is indeed good to be generous and charitable, but

it is even better to be frugal in conduct and work towards driving the poor and the destitute into employment in order that they may share in the annual consumption of the necessities, conveniences and amusement of life. Kennedy (2008:257) reflect on Adam Smith's views in this regard when he wrote

...that beneficent individuals with wealth to share – guided by moral views of just desert ... in the spirit of generosity, compassion and foresight, to do good to others, show strong moral attributes - but merely scratching the surface, though welcome enough for those who received such attention.

Adam Smith's (1759:219) views according to Kennedy (2008:109), is therefore that it is in vain to rely on the benevolence of others, other than in emergency than only occasionally. The Stoic philosophy has greatly influenced Adam Smith nuanced view of beneficence. In this regard, Adam Smith (1759:219) cite the

...Stoic's philosophy that every man is first principally recommended to his own care; and every man is certainly, in every respect, fitter and abler to take care of himself rather than of any other person. Every man feels his own pleasure and his own pains more sensibly than those of other people.

However, apart from a person's inherent self-love, in Adam Smith's account, every person has a sympathy for and an affection founded on it, to what nature is recommending to a person's care and attention. By nature, this sympathy and affection are more strongly towards the person's family, society and the person's community.

What is called sympathy and the affection founded on it, is in reality nothing but habitual sympathy. Our concern wrote Adam Smith (1759:220) "in the happiness or misery of those affections, our desire to promote the one and to prevent the other; are either the actual feeling of that habitual sympathy, or the necessary consequences of that feeling." This feeling of habitual sympathy and the affection founded in it, is furthermore the effect of universal benevolence (Smith, 1759:235). The idea that a mischievous, though sensible being, wrote Adam Smith (1759:235), naturally provokes our hatred and the ill will, which in this case we bear, is really the effect of our universal benevolence. It is the cause of the sympathy and the affection founded on it, which we feel with the misery and resentment of other innocent and sensible beings, whose happiness is disturbed by our malice.

We feel the misery and resentment of these innocent and sensible beings, because we are mindful and thoroughly convinced that all inhabitants of the universe, the meanest and the greatest, are under the immediate care and protection of that great, benevolent and all-wise Being, who directs all the movements of nature and who is

determined, by his own unalterable perfections, to maintain in it, at all times the greatest possible quantity of happiness (Smith, 1759:235).

This is the collective conscience of “universal benevolence” (Smith, 1759:235). The perfectly innocent and just person has therefore argued Adam Smith (1759:218) “a sacred and religious regard not to hurt and disturb in any respect the happiness of our [their] neighbour, even in those cases where no law can properly protect him.” This, according to Adam Smith (1759:218),

...constitutes the character of the perfectly innocent and just person. A character which, *when carried to a certain delicacy of attention* [Authors accentuation] is always highly respectable and even vulnerable for its own sake and can scarce even fail to be accompanied with many other virtues.

It therefore follows, that those among us with a great feeling for other people, with great humanity and great benevolence (the term used in this context by Adam Smith, 1759:218) count among those that are considered wise and virtuous. This is the person – the wise and virtuous that, according to Adam Smith (1759:235), “is at all times willing that his own private interest should be sacrificed to the public interest of his own particular order or society.” The person is at all times willing,” wrote Adam Smith (1759:235),

...too, that the interest of this [his] order or society should be sacrificed to the greater interest of the state or sovereignty, of which it is only a subordinate part. He should, therefore be equally willing that all those inferior interests should be sacrificed to the greater interest of the universe, or the interest of that great society of all sensible and intelligent beings, *of which God himself is the immediate administrator and director.*

This magnanimous resignation to the will of the great Director of the Universe and a person’s willingness and ability to care not only for the person’s own happiness, but also for those recommended by nature to a person’s care and attention, do not seem, according to Adam Smith (1759:236), in any respect beyond the reach of human nature. “However, to man, God has only allotted the task, within man’s weakness of power and suitable to the narrowness of his comprehension, to care for his own happiness, his friends and his country. “The administration of the great system of the universe, however, wrote Adam Smith (1759:237), “the care of *the universal happiness of all rational and sensible beings* [own emphasis] is the business of God and not of man.”

It is indeed the “wisdom which contrived the system of human affections, and that of every other part of nature,” wrote Adam Smith (1759:229) that,

...seems to have judged that the interest of the great society of mankind would be best promoted by directing the principle attention of each individual to that particular portion of it, which was most in the sphere both of his abilities and of his understanding.

What humans therefore ought to do, according to Adam Smith (1759:236), is to be like good soldiers,

...who both love and trust their general, frequently march with more gaiety and alacrity to the forlorn station, from which they never expect to return, than they would to one where there was neither difficult nor danger. In marching to the latter, they could feel no other sentiment than that of the dullness of ordinary duty: in marching to the former, they feel that they are making the noblest exertion which is possible for man to make. They know their general would not have ordered them upon this station, had it not been necessary for the safety of the enemy, for the success of the war. They cheerfully sacrifice their own little systems to the prosperity of a greater system. They take an affectionate leave of their comrades, to whom they wish all happiness and success and march out, not only with submissive obedience, but often with shouts of the most joyous exultation, to that fatal, but splendid and honourable station to whom they are appointed. No conductor or any army can deserve more unlimited trust, more ardent and zealous affection, than the great Conductor of the universe. In the greatest public as well as private disasters, a wise man ought to consider that he himself, his friends and countrymen, have only been ordered upon the forlorn station of the universe; that had it not been necessary for the good of the whole, they would not have been so ordered and that it is their duty, not only with humble resignation to submit to this allotment, but to endeavour to embrace it with alacrity and joy. A wise man should surely be capable of doing what a good soldier holds himself at all times in readiness to do.

Like a good soldier the wise man ought to both love and trust their general and holds himself at all times ready to cheerfully sacrifice their own little system to the prosperity of their family, friends and country. It is therefore, a matter of trust and action – a matter of contemplation and implementation. Likewise, we ought to contemplate on that divine Being, wrote Adam Smith (1759:236) “whose benevolence and wisdom have, from all eternity, contrived and conducted the immense machine of the universe, so as at all times to produce the greatest possible quantity of happiness”. This is certainly of all the objects of human contemplation by far the most sublime and, the man whom we believe to be principally occupied in this sublime contemplation, seldom fails to be the object of our highest veneration.” By their contemplation and trust, the wise and virtuous therefore, by their own contemplation and own experience will find great inspiration and

joy from the great quantity of happiness and universal benevolence. From the universal benevolence, they will gain the sympathy and the affections which are founded on it, sacredly and religiously to cause no hurt or disturb in any respect the happiness of their neighbours. Accordingly, they will act with the greatest feeling, humanity and benevolence within their very limited powers of beneficence and in the order in which nature has recommended for their care and attention. Accordingly, nature recommends to our care and attention not the entire universe nor all beings in need, but rather those that our own conduct must have the greatest influence upon. I shall now endeavour to examine Adam Smith's account of order as recommended by nature to our care and attention: first towards individuals and secondly towards societies.

5.3.2.1 INDIVIDUALS RECOMMENDED BY NATURE.

In this section, I am endeavouring to examine Adam Smith's analysis of those individual persons recommended by nature to our care and attention. This examination also incorporates those underlying principles and prerequisites which Adam Smith observed as necessary for the observance of peace and tranquillity among individuals who are reliant on each other's care and attention. This section therefore set out to examine why individuals relate more naturally to one another and what ought the nature of this relationship be in order to ensure the highest degree of beneficence among these individuals. This examination offers greater insights into Adam Smith's views regarding why we relate to some individuals more than others and why we are more disposed to their care and their happiness. This section also examines who those individuals are that nature recommends, to our care and attention and finally, those principles of conduct and prerequisites that ought to be observed to ensure the highest degree of beneficence among individuals.

Let's start with the first question as to why do we relate to some individuals more than others and why are we more disposed to take care and pay attention to their happiness? We are by nature having the character of mind, to assimilate with and accommodate, as much as we can, those individuals, with whom we share similar sentiments, principles and feelings. Secondly, those individuals whom we are obliged to live and converse a great deal with (Smith, 1759:224). Adam Smith (1759:224) observed that the similarity of family characters, which we so frequently see transmitted through several successive generations, may, perhaps, be partly owing to this disposition, to assimilate ourselves to those who we are obliged to live and converse a great deal with. The family character, however, like the family countenance, seems to be owing, not altogether to the oral, but partly too, to the physical connection. The family countenance is certainly altogether owing to the latter (Smith, 1759:224). The necessity or convenience of mutual accommodation such as in the case of families, also end to create a rapport or affection among well-disposed people that out of necessity of the situation are sort of attached. "Colleagues in

office, partners in trade,” wrote Adam Smith (1759:224), “call one another brothers and frequently feel towards one another as if they really were so. Their good rapport and good agreement is an advantage to all.”

Even in trifling circumstance of living in the same neighbourhood, good sort of people is naturally disposed to care for one another and pay attention to the hurt and happiness of their fellow residents. Apart from trifling circumstances of living together (i.e. residents) or being reliant on one another due to necessity or convenience, (i.e. colleagues) or those who usually live in the same house (i.e. family) or extended family members, individuals also develop relationships through associations based on their mutual sentiments and principles. (Smith 1759:224).

In all these cases, the warmest affection may develop among these individuals. They are naturally and usually those individuals that experience each other’s happiness and misery more direct and profound. Likewise, they are usually those individuals upon whose happiness and misery a person’s conduct must have the greatest influence. It therefore follows that they have a greater sympathy for one another and in time, the sympathy and the affections which are founded on it became in reality nothing but habitual sympathy (Smith, 1759:220).

Adam Smith (1759:220) therefore argues that “relations being usually placed in situations which naturally create this habitual sympathy, it is expected that a suitable degree of affection should take place among them.” The general rule is therefore established, according to him (Smith, 1759:220), “that persons related to one another in a certain degree, ought always to be affected towards one another in a certain manner and that there is always the highest impropriety and sometimes even a sort of impiety, in their being affected in a different manner.” It therefore follows, that we tend to relate more to those individuals with whom we have a relationship and tend to take care and pay attention to those with whom we have developed a habitual sympathy - a sympathy which has been assumed and rendered habitual resulting from convenience and accommodation or from the more superior natural sympathy that results from an involuntarily feeling that the person to whom we attached ourselves are the natural and proper objects of esteem and approbation (Smith, 1759:224-5). The highest degree of beneficence therefore emanates from the habitual sympathy that develop between individuals, - other than that, any other disposition, either to avoid hurt or to benefit others, is but a mere scratch of the surface.

Let me now examine the order of individuals, according to Adam Smith, that nature recommend for our care and attention. According to Adam Smith (1759:225), persons are recommended to our beneficence, either by their connections with ourselves, by their personal qualities, by their past services, or those who are pointed out, not indeed to, what is called, our friendship, but to our benevolent attention and good offices.

“First and foremost, every man,” cited Adam Smith (1759:219) from the Stoic philosophy “is first and principally recommended to his own care. After himself, the members of his family, those who usually live in the same house with him, his parents, his children, his brothers and sisters, who are naturally the objects of his warmest affections.” “The good agreement and rapport, while they remain in the same family, is necessary for its (the family) tranquillity and happiness” (Smith, 1759:220). They are, wrote Adam Smith (1759:220),

...capable of giving more pleasure or pain to one another than to the greater part of the people. These situation renders their mutual sympathy of the utmost importance to their common happiness and, by the wisdom of nature, the same situation, by obliging them to accommodate one another, renders that sympathy more habitual and thereby livelier, more distinct and more determined.

Follow on to the immediate family, nature recommend for our care, the children of brothers and sisters as they are naturally connected by the friendship which, after separating into different families, continues to take place between their parents. As the mutual sympathy is less necessary, so it is less habitual and therefore proportionately weaker (Smith, 1759:220). As the relationship grows increasingly remote, so the sympathy is less habitual (Smith, 1759:220). Apart from one’s own family, well-disposed people, due to the necessity or convenience of mutual accommodation very frequently produces a friendship, not unlike that which take place among those who are born to live in the same family (Smith, 1759:224). In this regard, Adam Smith as per example refer to colleagues in office, partners in trade that call one another brothers and according to Adam Smith (1759:224), that frequently feel towards one another as if they really are.

There are also those individuals with whom we relate and develop a rapport due to the “trifling circumstance of living in the same neighbourhood” (Smith, 1759:224) Neighbours can be very troublesome, to one another. If they are good sort of people, they are naturally disposed to agree (Smith, 1759:224). Then there are those individuals that we have a natural disposition to assimilate due to our own sentiments, principles and feelings. These individuals are not like those who are obliged to live and converse a great deal with. Such friendships are arising not from a constrained sympathy, not from a sympathy which has been assumed and rendered habitual for the sake of convenience and accommodation. They arise from a natural sympathy which is an involuntary feeling that the individuals to whom we are attached are the natural and proper objects of esteem and approbation (Smith, 1759:225). Such are these friendships that they could, with entire confidence, rely on their mutual conduct and behaviour which are at all times such, that neither of them feels that they can never offend or be offended by one another (Smith, 1759:225).

Such friendship wrote Adam Smith (1759:225) “need not be confined to a single person, but may safely embrace all the wise and virtuous, with whom we have been long and intimately acquainted

and on whose wisdom and virtue we can, on that account, entirely depend.” Of all the persons, however, whom nature points out for our peculiar beneficence, wrote Adam Smith (1759:225) “there are none to whom it seems more properly directed than to those whose beneficence we have ourselves already experienced.” Nature, according to Adam Smith (1759:225), “which formed men for that mutual kindness, so necessary for their happiness. *renders every man the peculiar object of kindness, to the person to whom he himself has been kind*” [own emphasis]. After the persons who are recommended to our beneficence either by their connection with ourselves, by their personal qualities, or by their past services, came those wrote Adam Smith (1759:225),

who are pointed out, not indeed to, what is called, our friendship, but to our benevolent attention and good offices; those who are distinguished by their extraordinary situation, the greatly fortunate and the greatly unfortunate, the rich and the powerful, the poor and the wretched.

It is indeed insightful, that both the rich and the poor are, by the recommendation of nature, at least according to Adam Smith’s account, ranked concurrently, in as far as it would incite a sympathetic beneficial response and the affections that are founded on it. It may therefore be deducted, that in terms of the greater scale of nature, that the happiness of the one does not rank privy to the happiness of the other. Likewise, the hurt caused to the one will result in agony for the other. The extraordinary situation of both the rich and poor ought to incite therefore a proportional response. Likewise,

...our respect for the rich, accordingly is most apt to offend by its excess while our fellow feeling for the misery of the poor and the wretched, by its defect. It therefor may follow, that a person’s lack of sympathy of the defect of the miserable, is proportionate to a person’s disregard for the offensive of the excess of the rich. Similarly, the rich require our respect as the peace and order in society are in a great measure founded on it and the relief and consolation of human misery and society depend altogether on our compassion for the poor and wretched (Smith, 1759:226).

This then is the order of individuals recommended by nature for our beneficence. Regarding the principles of conduct and prerequisites that ought to be observed to ensure the highest degree of beneficence among individuals, Adam Smith set out the following principles. In Adam Smith’s account of the foundation of the order which nature seems to have traced out for the distribution of our good offices, or for the direction and employment of our very limited powers of beneficence towards other individuals, he clearly articulated the natural dispositions to accommodate and to assimilate with whom we are obliged to live and converse a great deal with those we become attached with because of their personal qualities or by their past services and those pointed out,

not indeed to, what is called, our friendship, but because of their extraordinary situation – the greatly fortunate and the greatly unfortunate (Smith, 1759:218).

When these family ties, friendship and acquaintances and the associated habitual sympathy that develop accordingly and the affections which are founded on it, develop among people with the correct quality of mind, the beneficent actions emanating there from, are naturally more sublime and virtues. Those among us with the right disposition to the happiness and hurt of others, render their sympathy more habitual and thereby livelier, more distinct and more determined. The happiness that spring forth from those that are more habituated to sympathize with others and who carries a certain delicacy of attention, bring about greater tranquillity or less misery. (Smith, 1759:220).

In Adam Smith's account of the character of the individual, so far as it can affect the happiness of other people, he often uses adjectives that identifies and describes the correct quality of mind or disposition of those individuals that relate to other individuals with greater feeling, with greater humanity and great beneficence. I therefore wish to briefly list these attributes of mind and conclude this section. Firstly, he regards "tolerably reasonable people" to be naturally more disposed to frequently feel towards one another as if they are really brothers (Smith, 1759:224). Secondly, Adam Smith (1759:223) asserts that "among well-disposed people" the necessity or convenience of mutual accommodation, very frequently produces a friendship, not unlike that which takes place among those who are born to live in the same family. Thirdly, it is only with the "dutiful and virtuous" that the general rule is established, that persons that relate to one another in a certain degree, ought always to be affected towards one another in a certain manner (Smith, 1759:221). Fourthly, it is the "innocent and just man" – a character which when carried to a certain delicacy of attention is always highly respectable and even venerable – that has a sacred and religious regard not to hurt or disturb in any respect the happiness of their neighbour (Smith, 1759:218). Finally, Adam Smith (1759:224) observed that,

...the man who associates chiefly with the wise and the virtuous, though he may not himself become either wise or virtuous, cannot help conceiving a certain respect at least for wisdom and virtue; and the man who associates chiefly with the profligate and the dissolute, though he may not himself become profligate and dissolute, must soon lose, at least, all his original abhorrence of profligacy and dissolution of manners.

Those attributes of mind, clearly summarize the tone of temper that Adam Smith observe to be the character of those that work towards the wellbeing of others and by so doing work towards, social harmony, economic prosperity, equality of wellbeing and for society at large to progress

more easily and harmoniously. Adam Smith therefore regards those among us, who are tolerable and reasonable people, well disposed, dutiful, virtuous, innocent and just, to be the wise and virtuous among us. They are those among us, who regard happiness of others to be their concern, as their own happiness bring little joy and prosperity if it causes hurt of others. Adam Smith (1759:225) then made, at least in my view, a seminal observation, that provides a startling insight into his ethical thinking and own scale of values. For this reason, I elect to quote Adam Smith's entire observation:

though their gratitude (those who are the objects of beneficence (authors clarification) should not always correspond to his beneficence, yet the sense of his merit, the sympathetic gratitude of the impartial spectator, will always correspond to it. The general indignation of other people, against the baseness of their ingratitude, will even, sometimes, increase the general sense of merit. No benevolent man ever lost altogether the fruits of his benevolence. If he does not always gather them from the persons from whom he ought to have gathered them, he seldom fails to gather them and with a tenfold increase, from other people. Kindness is the parent of kindness; and if to be beloved by our brethren be the great object our ambition, the surest way of obtaining it is, by our conduct to show that we really love them.

This then is the account of Adam Smith of the order in which individuals are recommended by nature to our care and attention and the principles of conduct that ought to be observed. Let us now move on to the order in which societies are recommended by nature to our attention.

5.3.2.2 SOCIETIES RECOMMENDED BY NATURE

According to Adam Smith (1759:227), the same principles that direct the order in which individuals are recommended to our beneficence, direct that likewise in which societies are recommended. The state or sovereign in which we have been born, educated and under whose protection we continue to live, is, in ordinary cases, the society on whose happiness, or misery, our good or bad conduct can have much influence. It is accordingly by nature, strongly recommended to us. Adam Smith (1759:229) therefore observed that the "love for our country seems not to be derived from that love of mankind." The former sentiment is altogether independent of the latter and may seem sometimes even dispose as to act inconsistently with it. It therefore follows, that each person ought to work towards the prosperity and safety of those societies, either the state or sovereignty or at the primary level one's neighbourhood and city, that has the greatest measure of influence over one's own prosperity and safety and upon whose happiness or misery, our good or bad conduct can have much influence. Adam Smith (1759:227), argues accordingly, that: "it is by

nature therefore, endeared to us, not only by all our selfish, but by all our private benevolence affections.” Upon the account of “our connexion with the state or sovereignty, city or neighbourhood, one derives some kind of proudness in the superiority of its prosperity and safety, when we compare it with other societies of the same kind. Likewise, one is mortified in the same degree, if it appears in any respect below them” (Smith, 1759:227).

Adam Smith therefore upholds the notion that individual persons who work towards the safety; service and even glory of the greater number of person's in society, appears to act with the most exact propriety. In the same context, those that, in some peculiar situation, fancies he can promote his own, little interest by neglecting and betraying the public interest of his society, appears to be the most testable. The person who act to promote the interest of his society is regarded as patriotic and fiercely loyal. From this account, it is evident that Adam Smith may be regarded as a nationalist and hold nationalistic views and behaviour as the tenor of conduct to achieve economic wealth, at both the personal level and societal level. However, Adam Smith remain unconvinced that the love of one's nation, city or neighbourhood should dispose one to view, with the most malignant jealousy and envy, the prosperity and aggrandizement of any neighbouring nation, city or neighbourhood.

Adam Smith (1759:229) therefore wrote,

that the world has made real improvements and mankind are benefited and human nature is enabled by them. He therefore holds the notion that each nation ought, not only to endeavour itself to excel, but from the love of mankind, to promote, instead of obstructing the excellence of its neighbours.

One ought therefore to work towards national emulation and to be inspired by one another and not to express prejudice or envy (Smith, 1759:229). In this regard, Adam Smith (1759:230) observed, that nations, cities and neighbourhoods, ought to for their own interest, form alliances among neighbouring and not very distant societies. In so doing societies works towards the balance of power, general peace and tranquillity.

Each individual should therefore in ordinary cases, uphold two important, though different principle, in taking care and render attention to the order or society that every individual is naturally, by the order of nature, attached to. These principles are: first, a certain respect and reverence for the constitution of form of government which is actually established; and secondly, an earnest desire to render the condition of our fellow citizens as safe, respectable and happy as we can (Smith, 1759:231).

Adam Smith (1759:231), in this regard wrote, “He is not a citizen who is not disposed to respect the laws and to obey the civil magistrate; and he is certainly not a good citizen who does not wish to promote, by every means in his power, the welfare of the whole society of his fellow citizens.”

Adam Smith (1759:233) furthermore observes in support of the previous assertion, that the

...man whose public spirit is prompted altogether by humanity and benevolence, [a virtue that Adam Smith uphold as wise and noble] will respect the established powers and privileges even of individuals and still more those of the great orders and societies, into which the state is divided. Though he should consider some of them as in some measure abusive, he will content himself with moderating, what he often cannot annihilate without great violence. When he cannot conquer the rooted prejudices of the people by reason and persuasion, he will not attempt to subdue them by force; but will religiously observe what, Cicero, justly called the divine maxim of Plato: to never use violence to his country no more than to his parents. When he cannot establish the right, he will not disdain to ameliorate the wrong; but like Solon, asserts when he cannot establish the best system of laws, he will endeavour to establish the best that people can bear.

In concluding this account of those societies recommend by nature for one’s care and attention and then more pertinently the judgement of nature that each individual ought to work towards the prosperity and peace of that particular position which was most within the sphere both of a person’s abilities and of his understanding he made a further startling observation (Smith, 1759:229). In the context of Adam Smith’s account and the fact that he made the observation finally, suggest that he regraded the observation as going to the root of his assertions. It is my deduction, that this final observation by Adam Smith suggest that he may have recognized that what nature have judged to be in the interest of the great society of humankind and accordingly have assigned a responsibility to individual persons, could be negated to some degree by the conduct of the arrogant elite and political leaders. Because I regard Adam Smith’s final observations as very relevant and according to my understanding, is going to the root causes why many developing societies and their citizens are not advancing economically and socially, I elect to cite Adam Smith’s final remarks more extensively. Adam Smith (1759:233-4) warns against those who are in the execution of their establish powers to govern sovereign state and the divisional orders and societies, are apt to be very wise in their own concert; and often so enamoured with the supposed beauty of their ideas, that they cannot suffer the smallest opposition. They seem to imagine that they can arrange the different members of a great society with as much ease as the hand arranges the different pieces on a chess-board. “They are those in society that do not consider that the pieces on the chess-board have no other principles of motion besides that what the hand impresses upon them,” wrote Adam Smith (1759:234). These

are the ruling elite in society, that fancy themselves as the only wise and worthy in society and that their fellow citizens should accommodate themselves to them and not they to them. It is on this account, wrote Adam Smith (1759:234) “that of all political speculators, sovereign princes, are by far the most dangerous – This arrogance is perfectly familiar to them”, wrote Adam Smith (1759:234). They entertain no doubt of the immense superiority of their own judgement. Adam Smith (1759:234) observed that

...when such imperial and royal reformers, therefore, condescend to contemplate the constitution of the country which is committed to their government, they seldom see anything so wrong in it as the obstructions which it may sometimes oppose to the execution of their own will.

“They hold in contempt the divine maxim of Plato,” wrote Adam Smith (1759:234),

and consider the state as made for themselves, not themselves for the state. The great object of their reformation, therefore, is to remove those obstructions; to reduce the authority of the nobility; to take away the privileges of cities and provinces and to render both the greatest individuals and the greatest order of the state, as incapable of opposing their commands, as the weakest and most insignificant.

The conduct by the ruling elite disempowers the individual members of society. The latter become like single pieces on the chessboard. The elite consider them powerless to act in any way other than the subject to the will of the elite. This is contrary to the “great chess-board of human society” wrote Adam Smith (1759:234) as “every single piece has a principle of motion of its own, altogether different from that which the legislator might choose to impress upon it.” If those two principles coincide and act in the same direction, the game of human society will go on easily and harmoniously and is very likely to be happy and successful. If they are opposite or different, the game will go on miserably and the society must be at all times in the highest degree of disorder. It is therefore prudent of individual members of society and the ruling parties to guard against the abuse of power by one over the other and to establish laws of justice that employ the force of the society to restrain those who are subject to its authority, from hurting or disturbing the happiness of one another. Equally important, to employ the force of society to restrain those in power and authority from hurting or disturbing the happiness of members of society. Finally, when society and those in authority cannot establish what is right, society will have trouble ameliorate the wrong. With that, the happiness of society and its individual members will wane and the resentment for injustice attempted, or actually committed, can justify the hurting or disturbing not only the happiness of neighbours but also the authority of which nature seems to have appointed to bring about the highest degree of order – and with the greatest degree of happiness and justice for the greatest number in society. The order by which nature recommend others, to our care, are

indeed fundamental to one's own priorities and order in life – but also for the greater order in society. The detailed account by Adam Smith of the virtue of beneficence once more, at least in my mind, goes to prove that an individual personal and a society that wish to prosper and retain order has to care for other tolerably, reasonable people that are well disposed, dutiful, virtuous and just. Because a person and a society that possess and advance these dispositions of mind and character not only take care of similar minded people but is also taken care of.

Therefore, we have to carefully consider the following salient points highlighted in Adam Smith's account of the virtue of beneficence in examining the propriety of individual behaviour and preferences. Firstly, everyman, as the Stoic's philosophy asserts has to take care of himself to the best he can, to take care of other. Everyman, by the greatness of universal benevolence, has sympathy for and an affection founded on it, to what nature is recommending to a person's care and attention. Therefore, those that feel and experience the universal benevolence and the universal care and protection of the great benevolent and all-wise Being – who direct all the movements of nature and who is determined, by his own unalterable perfections, to maintain in it, at all times the greatest possible quantity of happiness, will in his own perfect innocence and sense of justice have a sacred and religious regard not to hurt and disturb in any respect the happiness of their neighbours. This is the person – the wise and virtuous that, is at all times willing that his own private interest should be sacrificed to the public interest of his own particular order or society. This magnanimous resignation to the will of the great Director of the Universe and a person's willingness and ability to care, not only for the person's happiness, but also for those recommended by nature to his care and attention do not seem in any respect beyond the reach of human nature. To humankind, God has only allotted the task, within a person's weakness of power and suitable to the narrowness of a person's comprehension, to care for a person's own happiness, a person's friends and the person's country. Accordingly, nature recommends to our care and attention not the entire universe, nor all beings in need, but rather those that our own conduct must have the greatest measure of influence over. It therefore follows, that each person ought to work towards the prosperity and safety of those that we have a relationship with and has the greatest measure of influence over; those that we have benefited from; who has the greatest measure of influence over one's own prosperity and safety and upon whose happiness or misery, our good or bad conduct can have much influence.

By conclusion, in the true character of the virtue of beneficence, each person and each nation ought, not only to endeavour itself to excel, but also from the love and gratitude of the universal benevolence of the great Director of nature, to promote, instead of obstructing the excellence of our neighbours. One ought therefore to work towards national emulation and to be inspired by one another and not to express prejudice or envy. Those that are first and foremost recommended by nature for a person's care and attention are therefore as follows. After the person self, the

members of the person's family, those who usually live in the same house with the person, the person's parents, children, brothers and sisters. Follow on to the immediate family, nature recommend to our care, the children of brothers and sisters. Apart from one's own family, well-disposed people, due to the necessity or convenience of mutual accommodation i.e. colleagues in office, partners in trade. There are also those individuals with whom we relate and develop a rapport due the trifling circumstances of living in the same neighbourhood. Then there are those individuals that we have a natural disposition to assimilate due to our own sentiments, principles and feelings. Of all the persons, however, whom nature recommends, there are none to whom it seems more properly to direct one's care an attention than to those whose beneficence we have ourselves already experience. After the persons who are recommended to our beneficence, either by their connect with ourselves, by their personal qualities, or by their past services, came those who are recommended, not indeed to, what is called our friendship but to our benevolent attention and good offices, those who are distinguished by their extraordinary situation, the greatly fortunate and the greatly unfortunate, the rich and the powerful, the poor and the wretched.

The order in which societies are by nature recommended for our care and attention are the following. One's neighbourhood and city or other communities that have the greatest measure of influence over one's own prosperity and safety and on whose happiness or misery our good or bad conduct can have much influence. Secondly the country or state that a person has been born; educated and under whose protection one continues to live.

5.3.3 VIRTUE OF SELF-COMMAND

The virtue of self-command is the third in Adam Smith's trilogy of virtues that consists of prudence, beneficence, (including justice) and self-command. "The man who acts according to the rules of perfect prudence, of strict justice and of proper benevolence," wrote Adam Smith (1759:237),

may be said to be perfectly virtuous. In our approbation of the character of the prudent man, we feel, with peculiar complacency, the security which he must enjoy while he walks under the safeguard of that sedate and deliberate virtue. In our approbation of the character of the just man, we feel, with equal complacency, the security which all those connected with him, whether in neighbourhood, society, or business, must derive from his scrupulous anxiety never, either to hurt or offend. In our approbation of the character of the beneficent man, we enter into the gratitude of all those who are within the sphere of his good office and conceive with them the highest sense of his merit.

However, the most perfect knowledge of those rules of conduct and notwithstanding our approbation of the sense of the agreeable effect, of the utility, of either the person who exercise them, or the sense of their propriety, “those rules”, wrote Adam Smith (1759:259),

will not alone enable him to act in this manner because his own *passions* [own emphasis] are very apt to mislead him; sometimes to drive him and sometimes to seduce him to violate all the rules which he himself, in all his sober and cool hours, approves of.

Adam Smith, therefor asserts, “that the most perfect knowledge, if it is not supported by the most perfect self-command, will not always enable him to do his duty.”

Adam Smith’s (1759:241) assertion is therefore that to act according to the dictates of prudence, of justice and proper beneficence, seems to have no great merit where there is no temptation to do otherwise.

But to act with cool deliberation in the midst of the greatest dangers and difficulties; to observe religiously the sacred rules of justice in spite both of the greatest interests which might tempt and the greatest injuries which might provoke us to violate them; never to suffer the benevolence of our temper to be damped or discouraged by the malignity and ingratitude of the individuals towards whom it may have been exercised; is the character of the most exalted wisdom and virtue (Smith, 1759:241).

Self-command according to Adam Smith (1759:241), is therefore not only itself a great virtue, but also from it all the other virtues seem to derive their principle lustre.

The command over our passions, independent of the beauty and joy which one derives from the utility thereof, self-command also enable us, on all occasions, to act according to the dictates of prudence, of justice and of proper benevolence. Therefore, self-command has a beauty of its own and seems to deserve for its own sake a certain degree of esteem and admiration. Self-command as a virtue, on the one hand excites some degree of esteem and admiration because of the strength and greatness of the exertion. But on the other hand, the uniformity, the equality and unremitting steadiness of the exertion, have its own beauty (Smith, 1759:238).

Adam Smith (1759:264) accordingly observed that “in all the other virtues of self-command, the splendid and dazzling quality seems always to be the greatness and steadiness of the exertion and the strong sense of propriety which is necessary to make and to maintain that exertion. The effects are too often but too little regarded.”

From the gentler exertion of self-command – “temperance, decency, modesty and moderation, an individual’s behaviour and preferences show unremitting steadiness and from the amiable virtue of chastity, the respectable virtues of industry and frugality, derive all the sober lustre which attends them” (Smith, 1759:242). Accordingly, “the conduct of all those who are contented to walk in the humble paths of private and peaceful life, derives from the same principle the *greater part of the beauty and grace* [authors accentuation], which belong to it” (Smith, 1759:242). “A beauty and grace, which, though much less dazzling, is not always less pleasing than those which according to the more splendid actions of the prudent, just and beneficent man– the heroes of society” (Smith, 1759:242). After what has already been said of Adam Smith’s account concerning the beauty and grace of the virtue of self-command, I judge it necessary to reflect now on the nature of self-command in respect of the two different classes of passions. In the context of the aim of this thesis, I focus primarily on the passion for the love of ease, pleasure and applause and the many other selfish gratifications – as these passions go to the root of an individual person’s economic behaviour and preferences. With that, I do not imply that the passion of fear and anger together with other passions which are mixed or connected with them, are of a lesser relevance and influence.

Adam Smith (1759:237) in his account of the virtue of self-command, cited the ancient moralists which have considered two different classes of passion: first, those which requires a considerable exertion of self-command to restrain even for a single moment; and secondly, those that are easy to restrain for a single moment or even for a short period of time; but which, by their continual and almost incessant solicitations, are, in the course of life, very apt to mislead into great deviations. Fear and anger, together with some other passions which are mixed or connected with them, constitute the first class (Smith, 1759:238). The love of ease, of pleasure, of applause and of many other selfish gratifications, constitute the second (Smith, 1759:238). The command of the former denominated fortitude, manhood and strength of mind, that of the latter, temperance, decency, modesty and moderation (Smith, 1759:238).

I now continue to give only an account of the second class, that of the love of ease, of pleasure, of applause and other selfish gratifications. [I refer to this class of passions as “pleasures”]. Let us therefore continue to analyse the virtue of self-command in respect of the passions of pleasure. Firstly, this class of passion is different from the first class, by its continual solicitations. Pleasure may be restrained for a single moment, or even for a brief period of time, but because of their continual solicitations, they often mislead us into many weaknesses which we have afterwards much reason to be ashamed of (Smith, 1759:238). Secondly, the first class of passions, being fear and anger, may often be said to drive the passion of pleasure to seduce us from our duty (Smith, 1759:238). Thirdly, because of its inherent quality or disposition, the passion of pleasure could be both sensibly and offensive. To bring this passion under one’s control and command,

requires therefore continual exertion. This implies continual temperance, decency, modesty and moderation. These qualities of virtue in turn, largely depend on the principle of self-estimation. I now reflect on the manner that the passion of “pleasure” may offend, thereafter I give an account of the principle of self-estimation [also implying self-admiration] as these principles are reflected on in Adam Smith’s (1759:238) account of the virtue of self-command.

The manner in which the passion of pleasure may offend is as follows. Our sensibility to pleasure, to the human amusement and enjoyments of human life, observed Adam Smith (1759:246), may offend, in the same manner, either by its excess or by its defect. Of the two, however, the excess seems less disagreeable than the defect. For instance, a person with a strong propensity to pleasure is certainly more pleasing than a dull insensibility to the objects of amusement and enjoyments. In this context, the dull person with insensibility to pleasure may be regarded as a defect. When this propensity, indeed, is not restrained by the propriety and is unsuitable for the time or the place, to the age or the situation of the person and when indulge, the person would neglect either the person’s interest or the person’s duty; it is justly blamed [*excessive*] hurtful both to the individual and to the society (Smith, 1759:246) [own emphasis]. Adam Smith (1759:246) argues that,

a young man who has no relish for the diversions and amusements that are natural and suitable to his age, who talks of nothing but his books or his business, is disliked as formal and pedantic and we give him no credit for his abstinence even from improper indulgences to which he seems to have so little inclination.

However, what ought to be well recognized, “is that, what is principally wrong and offensive, is not so much the strength of the propensity to pleasure and joy, but rather the weakness of the sense of propriety and duty” (Smith, 1759:246).

Not knowing and acknowledging what is considered right (“property”) and not fully recognizing one’s duty, may be influenced by a person’s estimation of a person’s own merit. As the principle of self-esteem may influence a person’s own sense of temperance, decency, modesty and moderation and therefore the beauty and grace of their *propriety* and a person’s sense of duty towards himself and society, we have to reflect on the principle of self-estimation (Smith, 1759:247).

Regarding the principle of self-estimation, Adam Smith observed in this regard that,

...in estimating our own merit, in judging of our own character and conduct, there are two different standards to which we naturally compare them. The one is the idea of exact propriety and perfection, so far as we are each of us capable of comprehending that idea (“The First Standard”). The other is that degree of approximation (“The

Second Standard”) to this idea which is commonly attained in the world and which the greater part of our friends and companions, of our rivals and competitors may have already arrived at (Smith, 1759:247).

So far as our attention is directed towards the first standard,

the wisest and best of us all, can in his own character and conduct, see nothing but weakness and imperfection; can discover no ground for arrogance and presumption, but a great deal for humility, regret and repentance. So far as our attention is directed towards the second standard, we may be affected either in the one way or in the other and feel ourselves, either really above, or really below, the standard to which we compare ourselves (Smith, 1759:247).

Adam Smith (1759:247) further observed that the “attention of different men and even of the same man at different times, is often very unequally divided between them; and is sometime principally directed towards the one and sometimes towards the other.” By implication, a person’s sense of propriety of what is right, being it decency, modesty, moderation or temperance and a person’s sense of duty towards himself and others, may be at times be excessive and at other times defective. In this regard Adam Smith (1759:246) argue that a person’s self-estimation may be too high, or it may be too low. Adam Smith therefore argue that it is so very agreeable to think highly and so very disagreeable to think meanly of ourselves, that, to the person himself, it cannot well be doubted, but that some degree of excess *must* be much less disagreeable than any degree of defect [own emphasis]. Or in a different way, one may observe, that the defect must always be less disagreeable than the excess (Smith, 1759:246).

To find the exact propriety and perfection in our own character and conduct and then more pertinently to bring the passions for pleasures, [the amusements and enjoyments of human life] under one’s self-command, the wise and virtuous man directs his principle attention to the first standard. (Smith, 1759:247).

There exist in the mind of every person, an idea of the exact propriety and what is required for perfection. This is gradually formed according to Adam Smith, from his observation upon the character and conduct both of himself and of other people. It is the slow, gradual and progressive work of the great demigod within the beast, the great judge and arbiter of conduct – *The Impartial Spectator*, which I reflect on in the section to come (Smith, 1759:247). This idea wrote Adam Smith (1759:247),

is in every man more or less accurately drawn, its colouring is more or less just, its outline is more or less exactly designed, according to the legacy and acuteness of

that sensibility, with which those observations were made and according to the care and attention employed in making them.

In the wise and virtuous person, the idea of propriety and perfection are therefore being made with the most acute and delicate sensibility and the utmost care and attention are being employed in making them (Smith, 1759:247).

Accordingly, the wise and virtuous man study this idea more than other people, he comprehends it more distinctly and is able to form a much more correct image what is not excessive and suitable to the time, place, age or situation. In fact, he is so much more deeply enamoured of the exquisite and divine beauty of the character and conduct that assimilate exact propriety and perfection. He, the wise and virtuous, therefore endeavours as much as he can, to assimilate his own character and conduct to this archetype of perfection (Smith, 1759:247).

But he “imitates the work of a divine artist, which can never be equalled. He feels the imperfect success of all his best endeavours and sees, with grief and affection, in how many different features the *mortal copy* falls short of the *immortal original*” (Smith, 1759:247).[own emphasis]

Adam Smith (1759:248) then continues to observe that,

the wise and virtuous man, remembers, with concern and humiliation, how often, from want of attention, from want of judgement from want of temper, he has, both in words and actions, both in conduct and conversation, violated the exact rules of perfect propriety and had so far departed from the image, according to which he wished to fashion his own character and conduct.

Adam Smith (1759:248) cited, Boileau, the great French poet, who used to say, “that no great man was ever completely satisfied with his own works.”

In a person’s desire to assimilate a person’s own character and conduct to the image that the person desire to imitate, the wise and virtuous, or rather the person with self-command works every day to command the exact rules of propriety. According to Adam Smith (1759:247), this idea of exact propriety and perfection exist in the mind of every person, an idea of this kind which is gradually formed from his observations on the character and conduct both of the person and of other people. This is indeed a slow process according to Adam Smith and the gradual and progressive work of the great demigod within the breast, the great judge and arbiter of conduct. I deal with this aspect together with the influence and authority of conscience in the next section.

However, before I proceed let's just surmise the nature of the virtue of self-command. The person who act according to the rules of perfect prudence, of strict justice and of the power of benevolence, are indeed virtuous and having the disposition of mind that is praise-worthy and worthy of approbation. But the most perfect knowledge of virtue, if not supported by the most perfect self-command, will not always be able to form a correct image of what is not excessive and suitable to the time, place, age and situation. Having the knowledge of those rules that the virtues of prudence, beneficence and justice derives their beauty and utility will not enable a person to act in this manner as a person's own passions are very apt to mislead the person – sometimes to drive the person and sometimes to seduce the person to violate all the rules which a person approve of as having the disposition of virtue. It therefore follows that to act according to the dictates of prudence, of justice and proper beneficence, is not carrying too much merit unless a person has command over the person's desire for pleasure and the person's fear within. Self-command is therefore not only itself a great virtue, but also from it all the other virtues seem to derive their principle lustre. The command over passions, independent of their beauty which one derives from the utility thereof, self-command also enable us, on all occasions, to act according to the dictates of prudence, of justice and of proper benevolence. Self-command as a virtue therefore on the one hand excite some degree and admiration, because of the strength and greatness of the exertion and having command over one's passions. But on the other hand, the uniformity, the equality and unremitting steadiness of the exertion and the degree of control, have its own beauty. It is therefore from the gentler exertion of self-command that the act of temperance, decency, modesty and moderation cause unremitting steadiness in individual behaviour and preferences. Likewise, from the amicable virtue of chastity, the respectable virtues of industry and frugality deserve all the sober lustre which attends them. By the uniformity, unremitting steadiness and strength and greatness of exertion, the person who has command over his passions, being it those passions that requires a considerable exertion of self-command or those that are easy to restrain, will behave with the degree of excess and modesty that are suitable to the time, place age or situation. In this manner, the person with the required self-command assimilates his own behaviour and preferences to the idea of exact propriety and perfection according to his level of conscience and the idea of this kind which is gradually formed from his observations on the character and conduct both of himself and of other people. He will also remember, with concern and humiliation, how often, from want of attention, from want of judgement, from want of temper, he has, both in words and actions, both in conduct and conversation, violated the exact rules of perfect propriety and had so far departed from the model, according to which he wished to fashion his own character and conduct. However, at all times the person of command would know that the idea of exact propriety and perfection that exist and evolve in his mind will lead to great wealth and prosperity, both spiritually and materially.

By this conclusion, I now move to reflect on Adam Smith's account of the power of faculty in the mind, how and by what means does it happen that the mind prefer one tenor of conduct to another, denominates the one right and the other wrong. Or differently said, why we consider some tenor of conduct prudent, beneficent, just and having exact propriety and perfection. In the next chapter, I examine self-love, reason, sentiment and sympathy as the basis of moral judgement. The latter is perhaps the most unique feature of Adam Smith's ethics. His philosophical construct of *The Impartial Spectator* offers a systematic or law-like method of moderating human passions, desires and aversions. Of great influence in this systematic method, is human conscience. For this reason, I will examine the authority and influence of human conscience. The chapter then concludes with an account of the final causes of Adam Smith's ethics, upon which I will evaluate Adam Smith's ethic in terms of eight principles or standard by which the ethical and moral theories may be judged or decided.

CHAPTER 6 THE BASIS OF MORAL JUDGEMENT

In Chapter 4, I have examined and interpreted the underlying ethical behaviour required for the creation of wealth and prosperity, as implied in Adam Smith's *classical exchange model*. Following on to that, in Chapter 5, I have endeavoured to examine the recommended tone of temper, habits of conduct and inner virtue of a person with an excellent and praise-worthy character, which I have deduced to be that of the *frugal person* and the *prudent person* that Adam Smith refers to in *The Theory of Moral Sentiments and The Wealth of Nations*. To be frugal and prudent in life are indeed more than a simple act. It requires a condition of character that is rather virtuous than vicious. It requires a proper tone of temper and tenor of conduct that cultivate a habitual condition in character that is virtuous and wise.

In Chapter 5, I have given an account of the recommended virtuous traits of character of the individual person, so far as it affects the person's own happiness - virtue of prudence; the happiness of others, or the virtue of beneficence and justice and the ability to command over the passions that seduce a person and affects the person's ability to do a person's duty – virtue of self-command. These virtues are, according to the account of Adam Smith (1759:265) the tone of temper and tenor of conduct – which according to my deduction, implies the proper tone of temper and tenor of character, that Adam Smith recommended, to be those of the virtuous and wise and whose behaviour and preferences are more growth inducing than otherwise. Chapter 5, therefore dealt with the first aspect that Greek moralists considered to be given prominence, should a person desire to live a complete, coherent life that is prosperous with the greatest degree of happiness at all times.

In this chapter I deal with the second consideration to flourish and to prosper and that is what the Greek philosophers refer to as the psychological aspect of human ethical and moral character, namely having the right motives, aims, concerns and perspectives also defined as a proper and sound ethical and moral judgement. In this chapter, I now endeavour to examine Adam Smith's account of the power or faculty in the mind by which a particular character; specific behaviour or preference, whatever it be, are recommended to us. Or in other words, how and by what means does it come to pass, that the mind prefers and denominates the one habit of virtue or preference right and the other wrong; consider the one as an object of approbation, honour and reward and the other of blame, censure and punishment one suitable to the time, place, age and situation and the other not (Smith, 1759:265) . I therefore examine the basis of moral judgement whether it is deduced from, self-love, which makes us perceive that this tone of temper or tenor of conduct of behaviour and preference, both in ourselves and others, tends most to promote our own private interest; or deduced from reason, which points out to us the difference between one character or preference and another, in the same manner as it does that between truth and falsehood, or by a peculiar power of perception called moral sense, by which a virtuous character or preference

gratifies and pleases and the contrary disgusts and displeasure or last of all, deduced from some other principle in human nature, such as a modification of sympathy, or the like (Smith, 1759:266)..

Before I proceed to reflect on Adam Smith's examination of the basis of moral judgement, I must observe that Adam Smith (1759:315) is of the opinion that self-love, reason or a peculiar power of perception, things that make certain people more agreeable, do not determine what is right and wrong. Adam Smith (1759:315) therefore regards his examination of the three different accounts and from what contrivance or mechanism those different notions or sentiments arise "as a mere matter of philosophical curiosity."

However, Adam Smith's account of those systems from which we deduce the principle of approbation, be it self-love; reason or moral sense give us some insight into Adam Smith's ethics and idea of "sympathy" and "*the impartial spectator*" as the truly original features of his ethical theory (Raphael & Macfie, 1982:7) and the only basis of moral judgement. These two ideas, according to Raphael and Macfie (1982:7) is quite intimately related to the Stoic outlook. This becomes more evident as we reflect on Adam Smith's (1759:314-315) account of the principle of approbation according to which power or faculty in the mind renders certain character or preference agreeable or disagreeable to us and makes us prefer one tenor of conduct or preferences to another, denominate the one right and the other wrong and consider the one as the object of approbation, the other as that of blame. Furthermore, this examination would offer us greater insight into the question whether a person act purely from self-love, or reason and sentiment or as Adam Smith asserts, from habitual sympathy, which is far greater than the affection of pity and compassion This account of Adam Smith also clarify and amplify the self-interest motive of a human being as implied in Adam Smith's *classical exchange model*.

6.1 SELF-LOVE AS THE BASIS OF MORAL JUDGEMENT

Adam Smith, in his examination of those systems which deduce the principle of approbation from self-love, reflects mainly on the account of Hobbes. Upon this account, humans are driven to take refuge in society because without the assistance of others in society, humans are incapable of subsisting with ease or safety. (Smith, 1759:315). Society, on this account, becomes necessary to a person and whatever tend to their support and welfare, a human person considers as having a remote tendency to a person's own interest and, on the contrary, whatever is likely to disturb or destroy it, a person regards as in some measure hurtful or pernicious to a person self.

Because of people's self-love, virtue is therefore regarded as the great support of society and vice the great disturber of human society. From the one, a person foresees the prosperity and from the other, ruin and disorder of what is so necessary for the comfort and security of human

existence (Smith, 1759:315). Humans are therefore on this account of Hobbes, driven purely by self-love and therefore people's selfish interest in his own comfort and security which are required for its existence. In other words, the only motive of our interest in society is self-love and accordingly we accord the quality and beauty because of its utility. Adam Smith holds a similar view with regard to the tendency of virtue to promote and vice to disturb the order of society. What Adam Smith (1759:316) objects to, "is the assertion by proponents of this system that deduce from self-love the interest which we take in the welfare of society and the esteem upon that account they accordingly bestow upon virtue." Adam Smith (1759:316) advances the assertion that the tendency of virtue to promote and of vice to disturb the order of society, when we consider it coolly and philosophical, reflect a very great beauty on the one and a very great deformity on the other and cannot be called in question. Human society, Adam Smith (1759:316) argues, "when we contemplate it in a certain abstract and philosophical light, appears like a great and immense machine, whose regular and harmonious movements produce a thousand agreeable effects." As in any other beautiful and noble machine that was the production of human art, whatever tended to render its movements more smooth and easy, would derive a beauty from this effect and, on the contrary, whatever tended to obstruct them would displease on the account (Smith, 1759:316). Accordingly, virtue, which is the oil to the wheels of society, reasonably please while vice, like the vile rust, which makes them jar and grate on one another, is as necessarily offensive. (Smith, 1759:316).

Adam Smith therefor holds the view, that Hobbes and many of his followers [Puffendorff, Mandeville] in their account of the origin of approbation and disapprobation, as far as it derives from a regard to the order of society, relies on the principle that the beauty of virtue is derived from utility. (Smith, 1759:316). It is from this principle, according to Adam Smith (1759:316) that their account derives all that appearance of probability which it possesses. In fact, argues Adam Smith, the readers of Hobbes doctrine, are

charmed with the novelty and grandeur of their views, when those authors, like Hobbes, describe the innumerable advantages of a society which is cultivated and socially advance above a savage and solitary life; when these authors expatiate upon the order for the maintenance of the one and demonstrate how infallibly the prevalence of vice and disobedience to the laws tend to bring back the other (Smith, 1759:316).

But if the readers take time to reflect on this novel and grand exposé by Hobbes, "the readers would realize that the beauty and approbation of the virtue, as far as the virtue is with regard to the order of society, would not be deduced from self-love" (Smith, 1759:316). The interest which we take in the welfare of society, is rather on indirect sympathy – which in no sense, can be regarded as a selfish principle (Smith, 1759:316-317). To illustrate, Adam Smith's assertion that

self-love cannot possibly be the ground of approbation, as argued by Hobbes, but rather indirect sympathy, Adam Smith employ an allegory to explain his argument.

Adam Smith (1759:316), in his allegory to explain habitual sympathy as the basis on which a person decides what behaviour, action, affection, preference and passion are virtuous or not, refer to two characters: Cato and Catiline. The former has been applauded for his virtue and Cataline has been considered as a villain. When we in this age applaud the virtue of Cato and detest the villainy of Catiline, the notion of any benefit does not influence our sentiments we have received from the one, or any damage we have suffered from the other. It is not because the prosperity or subversion of society, in those remote ages and nations, are apprehended to having any influence on our happiness or misery in the present time; that according to those philosophers we esteemed the virtuousness of Cato blamed the disorderedly characters of Catiline. Our sentiments are not influenced by any benefit or damage which we supposed actually to redound to us, from either; but by that which might have redounded to us, had we lived in those distant ages and countries; or by that which might still redound to us, if in our own times we should meet with character of the same kind. In short, what Adam Smith's allegory illustrate, is that those that deduce the principle of approbation or what is considered right and what is wrong from self-love, such as Hobbes, did not fully appreciate that it is because of the indirect sympathy, that we feel the gratitude or resentment of those who received the benefit or suffered the damages resulting from such opposite characters as Cato and Catiline. It was not the thought of what we had gained or suffered which prompted our applause or indignation, but the conception or imagination, of what we might gain or suffer if we were to live in society with such characters (Smith, 1759:317). Adam Smith, therefore pointed out that sympathy, cannot, in any sense, be regarded as a selfish principle. Adam Smith (1759:317) wrote,

that when I sympathize with your sorrow or your indignation, it may be pretended, indeed, that my emotion is founded in self-love, *because it arises from bringing your case home to myself, from putting myself in your situation* [own emphasis] and from that conceiving what I should feel in the like circumstances. But though sympathy is very properly said to arise from an imaginary change of situations with the person principally concerned, yet this imaginary change is not supposed to happen to me in my own person and character, but in that of the person with whom I sympathize.

According to Adam Smith's (1759:317) assertion,

a friend who condole with me for a loss that I have suffered, enter into my grief and does not consider the grief to be on himself. The grief, is entirely on my account and not in the least on my friend. Accordingly, my friend only changes circumstances with me and also change person and character.

Adam Smith (1759:317) therefore asks the question:

How can that be regarded as a selfish passion, which does not arise even from the imagination if anything that had befallen, or that relates to myself, in my own proper person and character, but which is entirely occupied about what related to you (1759:317).

Adam Smith (1759:317) therefore concluded his account of this system and wrote:

That whole account of human nature, however, which deduces all sentiments and affections from self-love, which has made so much noise in the world, but which, so far as I know, has never yet been fully and distinctly explained, seems to me to have arisen from some confined misapprehension of the system of sympathy.

This observation by Adam Smith goes to the core of his ethical and economic theory and is very often ignored and imputed to nonsensical. I revert back to this assertion when I reflect on Adam Smith's philosophical construct of *The Impartial Spectator* – a term central to Adam Smith's ethical and economic theories.

6.2 REASON AS THE BASIS OF MORAL JUDGEMENT

Adam Smith's examination of this system is very insightful and indicative of his own scale of values and ethical theory. In his examination, Adam Smith reflect on the notions of Hobbes that propagate that the ecclesiastical power is the principle source of the disorders in society. Therefore, civil laws, ought to be regarded as the sole ultimate standard of what was just and unjust, of what was right and wrong. Law, was therefore propagated as the original source of those distinctions. This notion was confuted among others by the observations of Cudworth (Smith, 1759:318). In order to confute so odious a doctrine, wrote Adam Smith (1759:318),

it was necessary to prove, that antecedent to all law or positive institutions, the mind was naturally endowed with a faculty, by which it distinguished certain actions and affections, the quality of right, laudable and virtuous and in others those of wrong, blameable and vicious.

According to this system, since the mind, therefore, had a notion of those distinctions antecedent to all law, it seemed necessarily to follows that it derived this notion from reason, which pointed out the difference between right and wrong. The popular thinking at the time has been that the essence and beauty of virtue and vice is not derived from the conformity or disagreement with the law of a superior, but in their conformity or disagreement with reason, which was considered as the original source and principle of approbation and disapprobation (Smith, 1759:319).

According to this system, the general maxims of morality is therefore formed, like all other general maxims, from experience and induction (Smith, 1759:319). It therefore follows that we discover those general rules of justice by which we ought to regulate our actions, by reason and it is by the same faculty that we form this more vague and indeterminate ideas of what is prudent, of what is decent, of what is generous or noble. Reason, is constantly, or at least most often than not, carried with us and according to which we endeavour, and we can, to model the tenor of our conduct and discriminate between our preferences (Smith, 1759:319). Virtue may therefore very properly be said to consist in a conformity to reason and so far as this faculty may be considered, as the source and principle of approbation and disapprobation (Smith, 1759:320). That virtue consist in conformity to reason, is true in some respects, wrote Adam Smith (1759:319) and the “faculty of reason may be very justly to be considered as, in some sense, the source and principle of approbation and disapprobation and of all solid judgements concerning right and wrong.” But though reason is undoubtedly in some respect, the source of the general rules of morality and of all the moral judgements which we form by means of them, “it is altogether absurd and unintelligible to suppose that the first perceptions of right and wrong can be derived from reason, even in those particular cases on the experience of which the general rules are formed” (Smith, 1759:320).

The question is therefore what is antecedent to reason – what logically precedes reason as the faculty of all judgements concerning right and wrong and according to which we endeavour, as best as we can, to model the tenor of our conduct and discriminate between our preferences. Adam Smith’s (1759:320) argument is that these first perceptions, *and* [own emphasis] all other experiences on which any general rules are founded, cannot be the object of reason, but rather of the immediate sense and feeling. Accordingly, Adam Smith (1759:320) asserts

that it is by finding in a vast variety of instance that one tenor of conduct constantly pleases in a certain manner and that another constantly displeases the mind, that we form the general rules of morality. But reason cannot render any particular object either agreeable or disagreeable to the mind for its own sake. Reason may show the way that this object or this tenor of conduct is more pleasing or displeasing or one preference more suitable than the other and in this way, may render the object of behaviour or preference either agreeable or disagreeable for the sake of something else. But reason cannot render an object or tenor of conduct agreeable or disagreeable, which is not rendered such by immediate sense of feeling.

If virtue, therefore, pleases for its own sake, it cannot be reason, but immediate sense and feeling, which reconciles us with the one and alienates us from the other.

Adam Smith (1759:320) cites the following example to explain his assertion:

Pleasure and pain are the great objects of desire and aversion: but these are distinguished not by reason, but by immediate sense and feeling. If virtue, therefore, be desirable for its own sake and if vice, in the same manner be the object of aversion, it cannot be reason which originally distinguishes those different qualities, but immediate sense and feeling.

Before I now proceed to reflect on Adam Smith's examination of the next system, I wish to reflect on the line of examination so far. In the first instance, Adam Smith apposed the notion that the principle of approbation may be deduced from self-love. Adam Smith argues that it is indirect sympathy and not self-love, that we feel gratitude and resentment for other people, consider an action wholesome and another as displeasing. The interest we take in other people and which we take in the welfare of society cannot be deduced from self-love but is rather following from our sense of sympathy – which cannot be regarded as a selfish principle. The salient observation is illuminated when I reflect on Adam Smith's philosophical construct of *The Impartial Spectator* that is inherent disposed to sympathy rather than self-interest or self-love. Secondly, with regard to those systems that make reason, the principle of approbation, suffice to say, that Adam Smith regards reason, in some respects, as the faculty by which we discover those general rules of justice and other general maxims of morality. It is by reason in some sense, that we form those more vague and indeterminate ideas of what is prudent, of what is decent, of what is generous or noble, which we carry constantly about us and according to which we endeavour as best as we can, to model the tenor of our conduct (Smith, 1759:319) and decide on our preferences.

Without any further elaboration Adam Smith conclude his examination of this system and offer no further clarification as to the source or origins of the immediate sense and feelings that is antecedent to sympathy, law and reason. This I will address more succinctly when I reflect on Adam Smith's account of the influence and authority of conscience. Such reflection brings us closer to the core of Adam Smith's ethical and economic thinking. In conclusion, though Adam Smith consider reason undoubtedly as a source of the general rules of morality, our immediate sense and feelings are antecedent to reason. Adam Smith therefore does not concede that reason may be the principle of approbation. Without further ado, lets proceed to discover, Adam Smith's examination of those systems which make sentiment [or what some call, moral sense] the basis on which we regard a virtue and tenor of conduct agreeable, virtuous, or not.

6.3 SENTIMENT AS THE BASIS OF MORAL JUDGEMENT

Adam Smith (1759:321) in his examination of those systems which make sentiment the principle of approbation, reflects on two schools of thought. According to the one school, the principle of approbation, or the principle by which certain character of behaviour or certain preferences are deemed right, laudable or vicious, is founded on a sentiment of a peculiar nature or rather, a

particular power of perception exerted by the mind at the view of certain actions, affections, behaviour and virtues. This sentiment, being of a peculiar nature and the effect of a particular power of perception, are also called moral sense (Smith, 1759:321).

According to the other school, there is no occasion for supposing any new power of perception, other than the power of sympathy. This school, according to Adam Smith's examination, follows the notion, that nature produces a multitude of effects from the same cause. For them, the mind is manifestly endowed with the power of sympathy. and the latter sufficiently account for all the effects ascribed to the peculiar faculty. Taking into consideration, Adam Smith's previous remarks regarding the influence and relevance of the power of sympathy, as opposed to self-love and some further reference that I reflect on, one may rightly assume that Adam Smith regard this line of thinking most correct and of greater substance.

Adam Smith (1759:321), accordingly, set out to examine the first school of thinking and then more pertinently, the notions advanced by Hutcheson – Adam Smith was his pupil in the late 1730's. According to Adam Smith's (1759:321) examination, Hutcheson had been at great pains to prove that the principle of approbation was not found on self-love. Hutcheson also demonstrated too that it could not arise from any operation of reason (Smith, 1759:321). Nothing remain, wrote Adam Smith (1759:321),

other than to suppose it is a faculty of a peculiar kind, which nature had endowed the human mind, to produce this one particular and important effect. When self-love and reason were both excluded, it did not occur to him that there was any other known faculty of the mind which could in any respect answer this purpose.

Hutcheson's notion, according to Adam Smith (1759:321), regarded the power of perception and the faculty of a peculiar kind, which he called a moral sense, something similar and somewhat analogous to the external sense. The line of argument is that other bodies around us, appear to possess the different qualities of sound, taste, odour, colour; so, the various affections of the human mind, by touching this faculty of a peculiar kind in a certain manner, appear to possess the different qualities of amiable and odious, of virtuous and vicious, of right and wrong (Smith, 1759:322).

I now reflect briefly on this theory of moral sense and Adam Smith's examination thereof. I deemed it relevant for the purpose of this thesis, as it offers further insight into Adam Smith's own theory of approbation, or the bases on which the qualities of human behaviour and preferences are regarded as amiable or odious. virtuous or, vicious, right or wrong. The various senses or power of perception, from which the human mind derives all its simple ideas were, according to this

system, of two different kinds (Smith, 1759:322). These two different kinds of senses are, those senses which are direct or antecedent and secondly, the reflex or consequent senses.

The direct senses were those faculties from which the mind derived the simple senses, like sound and colours. To hear a sound or to see a colour does not presuppose the antecedent perception of any other quality or objection (Smith, 1759:322). This kind is therefore the faculty from which we derived the simple ideas of the different passions and emotions of the human mind. The reflex or consequent sense, on the other hand, are those faculties from which the mind derives antecedent perception of some kind that are presupposed. Therefore, harmony of a sound, or the beauty of a colour were objects of the reflex senses. In order to perceive these reflex or consequent senses, we must first perceive the sound or the colour (Smith, 1759:322). The faculty therefore by which we perceive the beauty or deformity, the virtue or vice of those different passions and emotions is a reflex, internal sense. And the sense of colour or sound that is direct or antecedent to reflex or consequent sense are a direct internal sense. The moral sense was therefore considered as a faculty of this kind (Smith, 1759:322).

This moral sense is, as Adam Smith (1759:322) observed not analogous to the external senses. The moral sense as an external reflex, compares to the analogy of nature as the mind was endowed with a variety of other reflex senses exactly similar to the moral sense, such as a sense of beauty and deformity in external objects; a public sense, by which we sympathize with the happiness or misery of our fellow-creatures; a sense of shame and honour and a sense of ridicule.

Adam Smith (1759:322) in his examination of this system, asserts that,

Hutcheson's notion that the principle of approbation is founded in a peculiar power of perception, somewhat analogous to the external senses, have consequences which perhaps, be regarded by many as a sufficient confutation of their recommended principle of approbation.

Adam Smith (1759:323) argues that

the qualities he allows, which belong to the objects of any sense, cannot without the greatest absurdity, be ascribed to the sense itself. Who ever thought of calling the sense of seeing black or white, the sense of hearing loud or low, or the sense of tasting sweet or bitter? And, according to him (Hutcheson), it is equally absurd to call our moral faculties virtuous or vicious, morally good or evil. These qualities belong to the objects of these faculties, not to the faculties themselves.

Accordingly, Adam Smith (1759:323) asserts that “correct moral sentiments, naturally appear in some degree laudable and morally good.” In Adam Smith’s examination, he refers to other equally unanswerable objections of this system, which I deem not relevant for the purpose of this thesis.

Adam Smith concluded his critique by saying that it might be expected, perhaps, that if there was any peculiar principle, such as this moral sense is supposed to be, we should feel it, in some particular cases, separated and detached from every other, as we often feel joy, sorrow, hope and fear, pure and unmixed with any other emotion. This, however, Adam Smith (1759:326-7) imagines, cannot even be pretended. He has never heard any instance alleged in which this principle could be said to exert itself alone and unmixed with sympathy or antipathy, with gratitude or resentment, with the perception of the agreement or disagreement of any action to an established rule, or last of all with that general taste for beauty and order which is excited by inanimated as well as and by animated objects. This system that recommend the internal existence of sentiment of mind of a peculiar nature and of a particular power of perception is not entirely dismissed by Adam Smith. However, Adam Smith (1759:327) asserts that the particular power of perception cannot exert itself alone other then perhaps mixed with an established rule such as sympathy, which Adam Smith has been endeavouring to establish.

This brought me to the conclusion of Adam Smith’s examination of those systems concerning the power or faculty of the mind which renders certain character, behaviour and preferences agreeable or disagreeable to us and make us prefer one tenor of conduct to another. These three faculties are self-love, reason and sentiment. In Adam Smith’s view it is the faculty of sympathy and not self-love and the immediate sense of feeling rather than law and reason that ought to be considered as the source and principle of approbation and disapprobation. With regard to Hutcheson’s assertion that, sentiment, or what he called a moral sense, is the principle of approbation, Adam Smith contest this school of thought. According to Adam Smith, both the direct senses and reflex internal senses and the qualities associated i.e. white and black as a colour, or the beauty of colour, belongs to the objects of any sense and cannot be ascribed to the sense itself. On the contrary, moral sense, as described by Hutcheson, can only exert itself, mixed with sympathy or antipathy, with gratitude and resentment, or last of all with that general taste for beauty and order which is excited by inanimated as well as by animated objects.

For these reasons, I elect to continue this segment by reflecting on Adam Smith’s account of the sense of approbation consisting of sympathy. This segment is followed by the philosophical construct of *The Impartial Spectator* as the imagined person within. The originality of Adam Smith’s account of sympathy as the principle of approbation and then more particularly *The Impartial Spectator* lies in his development of the idea so as to explain the source of nature of conscience, i.e. of a person’s capacity to judge a person’s own actions and especially of his sense of duty. This analysis would enable us to understand Adam Smith’s ethical thinking with regard

to how a person distinguish between what is fit and unfit both in action and affections, what a person regard as prudent, just and beneficence and a person's preferred tenor of conduct and proper tone of temper.

This section is then followed by an examination of the influence and authority of conscience. This is very important, as it provides us with insight into Adam Smith's ethical thinking with regard to whether there is any effectual consolation when the approbation of human conscience cannot content the weakness of human beings and the great inmate of the breast – *The Impartial Spectator* – cannot support a person in the manner that the person endeavour to contain the selfish and original passions of human nature and imitate behaviour and make decisions that poses the qualities of virtue and sound conduct.

In conclusion, I endeavour to summarize Adam Smith's recommended conduct of the person that Adam Smith regards as the person, of the perfect command of a person's own original and selfish feelings and the most exquisite sensibility both to the original and sympathetic feelings of others. In doing so, I answer the initial question that led us to this enquiry as to the character of the *frugal person* and the *diligent person*. In the section to follow, I endeavour to examine Adam Smith's underlying ethical and economic thinking with regard to the ultimate goal of the *frugal* and *diligent person*, or differently said the end goal of Adam Smith's *classical exchange model*.

6.4 SYMPATHY AS A BASIS OF MORAL JUDGEMENT

In a previous section dealing with the virtue of beneficence. I have reflected on Adam Smith's assertion that the feeling or sense of sympathy and the affection founded on it, is really the effect of universal benevolence. Universal benevolence, is the cause of the sympathy and the affection founded on it, which we feel with other creatures, whether it is other human beings or other form of creation. What is called sympathy and the affection founded on it, is in reality, nothing but habitual sympathy. Our concern, wrote Adam Smith (1759:220) in the happiness or misery of those who are the objects of what we call affection; our desire to promote the one and to prevent the other, are either the actual feeling of that habitual sympathy, or the necessary consequences of that feeling. Sympathy as a sense of propriety and approbation within the previously mentioned context should not be confused with benevolence, as the latter regards to charity – the voluntary giving of help, typically in form of money, to those in need. Sympathy in the context of the virtue of beneficence and justice is rather a disposition or inherent quality of mind of a person, not to harm or hurt others and to take care of the happiness of those recommended by nature for one's care and attention – family, friends and country (Smith, 1759:237).

This interpretation of the sense of sympathy is analogous with the Stoic philosophy of “*The Social bond*” (Raphael & Macfie, 1982:7) [own emphasis].” Man, according to the Stoics,” wrote Adam Smith (1759:140)

ought to regard himself... as a citizen of the world, a member of the vast common wealth of nature... We should view ourselves... in the light in which any other citizen of the world would view us. What befalls ourselves we should regard as what befalls our neighbour, or what comes to the same thing, as our neighbour regards what befalls us.

Adam Smith (1759:414) then continued to cite Epictetus’s notion that “we ought to remember how we were affected when this accident happened to another and such as we were in his case, such ought we to be in our own.” Within this context, Adam Smith (1759:316-317) argues that, the interest which we take in the welfare of society and other human beings is on sympathy – which in no sense be regarded as a selfish principle. This nuanced distinction between sympathy and self-interest or self-love is essential to comprehend. Adam Smith’s definition of sympathy needs to be noted because some scholars, more familiar with his economics than his moral philosophy, have mistakenly equated sympathy with benevolence and have inferred that Adam Smith had a change of mind between the time he wrote *The Theory of Moral Sentiments* and *The Wealth of Nations*. These scholars have wrongly inferred that Adam Smith dealt with the altruistic side of human conduct in *The Theory of Moral Sentiments* and in *The Wealth of Nations* he dealt with the egoist side. This incorrect inference, is often cited to asserts that Adam Smith had a change of mind and that he lost faith in the virtuous nature of human beings and that the real effective driver that brings the greatest happiness, is indeed self-interest actions only (Raphael & Macfie, 1982:10).

Among those scholars are those who have adopted the “Umschwungstheorie” (sic) hypothesis that Adam Smith who made sympathy the basis of social behaviour in *The Theory of Moral Sentiments* did an about-turn from altruistic to egoistic theory in *The Wealth of Nations* owing to the influence of the French materialist thinkers whom he met in Paris in 1766 (Raphael & Macfie, 1982:20). By implication, Adam Smith’s ethical and economic thinking according to the proponents of the “Umschwungstheorie” (sic), has changed to materialism – meaning an egoistic theory of human nature (Raphael & Macfie, 1982:20). These scholars accordingly, inferred that Adam Smith’s views have changed from the altruistic theory that uphold sympathetic benevolence as the recommended motive of human behaviour and preferences to the *egoistic theory of materialism* that recommend self-interest as the only motive of human behaviour and preferences. The ideas of the proponents of the “Umschwungstheories” (sic), like Witold von Skarzynski, were sparked off by those of H.T. Buckle (Raphael & Macfie, 1982:20). According to Buckle’s interpretation of Adam Smith’s philosophy in *The Theory of Moral Sentiments* and *The Wealth of*

Nations ought to be considered as two divisions of a single subject. According to Buckle (cited by Raphael & Macfie, 1982:21) *The Theory of Moral Sentiments*, investigated the sympathetic part of human nature and *The Wealth of Nations* investigated people's selfish part. "And as all of us are sympathetic" wrote Buckle (cited by Raphael & Macfie, 1982:21) "as well as selfish.... and as this classification is a primary and exhaustive division of our motives to action, it is evident that if Adam Smith had completely accomplished his vast design, he would at once have raised the study of human nature to a science." By following this line of thinking, Buckle (cited by Raphael & Macfie, 1982:21) inferred that, in *The Theory of Moral Sentiments*, Adam Smith ascribes our actions to sympathy and in *The Wealth of Nations*, he ascribes them to selfishness. A short view of these two works prove the existence of this fundamental difference and enable us to perceive that each is supplementary to the other, so that, to understand either it is necessary to study both. This last assertion, that both works should be studied together as the understanding of either is helped by studying both, is indeed correct. Although, where Buckle goes wrong is to assert, that Adam Smith, in the *Theory of Moral Sentiments*, endeavour to ascribe the motive of actions to sympathy. I therefore agree with Raphael and Macfie (1982:21) that what Adam Smith endeavoured to establish, is that sympathy, is the core of human moral judgement which is the essence of *The Theory of Moral Sentiments*. The motive to action is an entirely different matter. Adam Smith recognizes a variety of motives for action in general, but also for virtuous action (Raphael & Macfie, 1982:22)

From my point of view, Adam Smith set out to prove that the feeling of sympathy, when we enter into the motives of the other person and from that by which we go along with, such as gratitude of the persons who are benefited by his actions, is rather a sense of propriety and feeling of approbation than a motive to action. The principle of propriety and approbation is deduced from the sense of sympathy as a faculty of judgement. In other words, the sense of sympathy, is the faculty that enables us to distinguish between what is fit and unfit both on motive, action and affection. In that sense self-interest, or self-love as a motive exert itself mixed with sympathy. Likewise, many other motives that Adam Smith recognizes not only for action in general but also for virtuous actions deduced its propriety and approbation from the sense of sympathy. These motives include self-interest, or to use the 18th century term, self-love (Raphael & Macfie, 1982:22).

"It is this, [self-interest motive] not selfishness," wrote Raphael and Macfie (1982:22), that comes to the fore in *The Wealth of Nations*. Adam Smith distinguished the two expressions, using selfishness in a pejorative sense for such self-love that may cause harm or neglect of other people. Though Adam Smith (1759:184) coupled selfishness with rapacity, he also insists, against Hutcheson, that a proper regard to our own private happiness and interest is a virtuous motive and a necessary element in virtue (Smith, 1759:304). It is therefore impossible, conclude Raphael

and Macfie (1982:22) and I agree wholeheartedly with them, to accept the view that there is any difference of substance between *The Theory of Moral Sentiments* and *The Wealth of Nations* on self-interest as a motive and the sense of sympathy as the basis of moral judgement by which self-interest motivated actions deduce its propriety and approbation. In fact, I am of the considerate view that sympathy and self-interest are supplementary to one another. The sense of sympathy is the basis of moral judgement in order to determine which self-interest action is fit or unfit, right or wrong, virtuous or vicious, selfish or rapacious. For this reason, it may be argued that, to be virtuous, or in terms of the theme of this thesis to be a *frugal person* and/or a *diligent person*, it is necessary to apply both. Self-interest motivate action that are not based on a sound moral judgement deduced from the sympathy for the interest of others, is more often than not, not benign and rather selfish in character.

With this in mind, let us continue to reflect on Adam Smith's examination of sympathy as a sense of propriety and approbation. This section is followed by an examination of the philosophical construct of *The Impartial Spectator*. This examination further contextualizes sympathy as a sense of propriety and approbation. Sympathy in Adam Smith's ethics is like the Stoic philosophy, analogous to the social bond and the Stoic view of world citizenship and self-command that implies *The Impartial Spectator* (Raphael & Macfie, 1982:7). The originality of Adam Smith's impartial spectator lies in Adam Smith's development of the idea so as to explain the source and nature of conscience, i.e. of a person's capacity to judge their own actions and especially of their sense of duty (Raphael & Macfie, 1982:15). The philosophical construct of *The Impartial Spectator* is deeply rooted in the sense of sympathy from which a person deduces propriety and approbation. Sympathy and *The Impartial Spectator*, as Adam Smith interprets them, are the truly original features of his ethical and economic theory. Adam Smith's account of ethics and of human behaviour and preferences resonate through these two constructs. It is therefore not surprising that Adam Smith in his work of *The Theory of Moral Sentiments*, introduce the idea of sympathy and self-interest in the very first part of his work.

Let's proceed now to examine Adam Smith's system of sympathy as a sense of propriety and approbation. In this examination, I attempt to set out the mechanism or the manner and method through which the faculty of sympathy influence and impact on our emotions, passions, motives and preferences. Thereafter, I conclude this section by citing some examples, in illustration of this faculty. Adam Smith (1759:9), start-off his examination of the system of sympathy by writing:

How selfish so ever man may be supposed, there are evidently some principles in his nature, which interest him in the fortune of other and render their happiness necessary to him, though he deserves nothing from it except the pleasure of seeing it. Like all the other original passions of human nature, it is by no means confined to the virtuous and humane, though they perhaps

may feel it with the most exquisite sensibility. The greatest ruffian, the most hardened violator of the laws of society, is not altogether without it.

Sympathy may therefore be construed to be innate in human beings though the sensibility may vary in degree from person to person. This feeling for others is imaginary, as we have no immediate experience of what other people feel – we can form no idea of the manner in which they are affected, but by conceiving what we ourselves should feel in like situation (Smith, 1759:8). Another person's agonies wrote Adam Smith (1759:9) "when they are thus brought home to ourselves, when we have thus adopted and made them our own, begin at last to affect us and we then tumble and shudder at the thought of what he feels."

Depending on the vivacity or dullness of the conception that we imagine that we are in, would excites some degree of the same emotion, in proportion thereto. Whatever is the passion which therefore arises from any object in the person principally observed and analogous emotion springs up, at the thought of his situation, in the mind of every attentive spectator (Smith, 1759:10).

Therefore, sympathy according to Adam Smith's (1759:317) construct, cannot, in any sense be regarded as a selfish principle. When I sympathize with your sorrow or your indignation, it may be pretended, indeed, that any emotions founded in self-love, because it arises from bringing your case home to myself, from putting myself in your situation and therefore conceiving what I would feel in the like circumstances. But though sympathy is very properly said to arise from an imaginary change of situations with the person principally concerned, yet this imaginary change is not supposed to happen to me in my own person with whom I sympathize.

But, wrote Adam Smith (1759:317), I consider what I should suffer if I was really you and I not only change circumstances with you, but I change persons and characters - it is not therefore, in the least selfish. In this context, through the faculty of sympathy, the attentive spectator would judge the propriety or impropriety ["Propriety"] approve or disapprove ["Approbation"] of those passions, emotions, affections, behaviour, preferences or opinion of other. The attentive spectator gain insight into what is fit or unfit, pleasurable or painful, just or unjust, from observing inter alia the behaviour and preferences of others, entirely on the account of the person observed. In other words, the attentive spectator learns from both the pleasure and pain of the person observed. When the person observed enjoys great success, joy and enlightenment, to mention but a few, the attentive spectator is encouraged, motivated, inspired and accordingly deduce what behaviour or preferences would incite similar feelings. Likewise, the attentive spectator, by changing person and character to that of the person observed, brings home the pain and agony suffered and are affected by conceiving what the attentive spectator should feel in the like situation and may, on the vivacity or dullness of the experience, deduce what behaviour or preferences ought to be

observed to be free from similar emotions and circumstance that are the cause of the pain and agony in the person observed. The attentive spectator, is therefore excited by what befalls others and learn from that, knowing that something similarly may befall himself. But this fellow feeling or sympathy is a symbiotic relationship of mutualism, where both the observed and the spectator benefit. Whatever may be the cause of sympathy, wrote Adam Smith (1759:13), “or however it may be excited, nothing pleases us more than to observe in other men a fellow feeling with all the emotions of our own breast.”

There is, however, a further dimension that the faculty of sympathy awaken within and in so doing bring society closer to harmony and natural liberty. While in the first explanation, the attentive spectator change in person and character to bring home what has befallen the person observed, in another dimension, the attentive spectator takes on the person and character of the person observed to bring home what has befallen the observed caused by the attentive spectator. In other words, through the sense of sympathy, I am excited by how my conduct, behaviour and preferences would affect the imaginary person within me. Which may differ from the effects of my actions or in action of the real me. In Adam Smith’s examination, he accentuates the first dimension of the faculty of sympathy. The latter is arrived on through deductions and I return to this particular dimension in a later segment. The question, that however, require further attention is of the manner in which we judge of the propriety or impropriety of the affections of other persons by their concord or dissonance with our own.

From the previous exposé of Adam Smith’s examination of the faculty of sympathy, it would be clear that the attentive spectator has no immediate exposure of what the person principally concerned may feel. Accordingly, the spectator judges the propriety and praise or resent the behaviour or preferences of the person principally concerned, by his own conscience – set of values.

Adam Smith (1759:16) expresses the aforesaid in this way:

When the original passions of the person principally concerned are in perfect concord with the sympathetic emotions of the spectator, they necessarily appear to the last just and proper and suitable to their objects: and on the contrary, when upon bringing the case home to himself, he finds that they do not coincide with what he feels, they necessarily appear to him unjust and improper and unsuitable to the causes which excite them.

To approve of the passion of another, therefore, as suitable to their objects, is the same thing as to observe that we entirely sympathize with them; and not to approve of them as such, is the

same thing as to observe that we do not entirely sympathize with them. Let me cite further illustrations that Adam Smith has incorporated in his examination. This will, at least in my view, illustrate the epistemological construct followed in the symbiotic relationship between the person principally concerned (observed) and the attentive spectator.

Example One: “The man who resents the injuries that have been done to me and observes them precisely as I do, necessarily approves of my resentment.” (Smith, 1759:16).

Example Two: “The man whose sympathy keeps true to my grief, cannot but admit the reasonableness of my sorrow.” (Smith, 1759:16).

Example Three: “He who admires the same poem, or the same picture and admires them exactly as I do, must surely allow the justness of my admiration.” (Smith, 1759:16).

Example Four: “He who laughs at the same jokes and laughs along with me, cannot well deny the propriety of my laughter.” (Smith, 1759:16).

Example Five: “To approve of another man’s opinions is to adopt those opinions and to adopt them is to approve of them.” (Smith, 1759:17).

These illustrations, clearly depict that both the principally concerned person and the attentive spectator, do not deduce the propriety of the passion from the other but from the causes which excite each other, or the motive which gives occasion to it and in relation to the end which it proposes, or the effect which it tends to produce.

Adam Smith (1759:18) put it this way: “in the suitability or unsuitability, in proportion or disproportion which the affection seems to bear to the cause or object which excites it, consists the propriety or impropriety, the decency or ingratitude of the consequent action.” In both cases the propriety or impropriety of the behaviour, preferences and opinion of other are judged by their concord or dissonance with our own. What this epistemological construct of sympathy implies, is that the faculty of sympathy, establish a social bond through mutual sympathetic affections that are judged by each person’s conscience or the “man within the breast”.

In conclusion, the faculty or sense of sympathy as observed by Adam Smith, is unusually wide and ought not to be mistakenly equated with benevolence or the altruistic side of human conduct. This fellow feeling or sympathetic observation and the emotions that follow therefrom, in its elementary form include pity and compassion. But sympathy, though its meaning was perhaps originally related to these emotions, denote, according to Adam Smith (1759:10) “our fellow

feeling with any passion whatever". This wide definition of sympathy needs to be noted as sympathy are often equated to benevolence. Within this broader context the faculty of sympathy is therefore far greater than what the elementary word of sympathy implies, namely to show pity or compassion. In Adam Smith's construct of the faculty of sympathy, it is implied that the power or capability to establish impropriety or propriety, approval or disapproval of emotions, passions, reasoning, action and preferences are founded on observing other and judge propriety or impropriety, praise or disapproval by bringing the conduct, behaviours, preferences or otherwise of the principally observed, home to oneself.

This faculty is therefore neither egoistic nor selfish. As Raphael & Macfie (1982:21) observe,

Sympathy is the core of Smith's explanation of moral judgement. The motive to action is an entirely difficult matter. Through the faculty of sympathy both the attentive spectator and the principally observed person deduce propriety and approbation of their own self-interest actions. The attentive spectator on the account of the principally observed may deduce, in proportion to the vivacity or dullness of the conception (observation) the fitness or unfitness, the virtuousness or viciousness of their own actions behaviour and preferences. The principally observed take pleasure in observing in the attentive spectator, a fellow feeling with all the emotions of his own breast. He rejoices whenever he observes that other, like the attentive spectator adopt his own passions, because he, the principally observed, is then ensured of the fitness or otherwise of his passions, behaviour or preferences and the consent of others. Whenever he observes the contrary, he will conclude that the others are in opposition to him.

The reciprocity, in my view, goes to the core of the faculty of sympathy as the social bond that underlies Adam Smith's ethics and his economic thinking. The epistemological construct of the faculty of sympathy is the foundation on which one deduce the fitness or unfitness of one's self-interest actions that is reliant on the sympathetic consent of others. Or may I put it differently; from the sympathetic affection of what befalls other, I could direct my self-interest actions to better my own conditions of life and work towards greater happiness. By my sympathetic affections, others, that are principally observed, gain the knowledge of the propriety of their behaviour and preferences by observing either my consent or resentment. Likewise, they gain courage from the joy and pleasure that befalls me and become more observant of their own circumstances and actions from the pain and sorrow that has befallen me. Indeed, a symbiotic relationship that is far greater in efficacy than the feeling of pity and compassion for others. From my perspective, the faculty of sympathy is indeed the bond that keeps society and creation together and ought to

shape and guide self-interest motivated action to a mutually beneficial outcome. All of this finally depends on the conscience of the breast within, of both the attentive spectator and the principally observed person – according to Adam Smith’s philosophical construct, *The Impartial Spectator*. Let us now examine the philosophical construct of *The Impartial Spectator*.

6.5 THE PHILOSOPHICAL CONSTRUCT OF THE IMPARTIAL SPECTATOR

In the previous segment, I have reflected on the question of the power of faculty in the mind that recommend to us the proper tone of temper and tenor of conduct whatever it be. Be it prudence, beneficence, righteousness or to take command of my own passions. In this regard, I have reflected on Adam Smith’s examination of those systems which deduce the principle of approbation from self-love, reason and sentiment or what Hutcheson described as a sentiment of a peculiar nature and a particular power of perception. In the final account, I have reflected on Adam Smith’s original construct of the faculty of sympathy, that he, like the Stoic philosophers, thought of as the social bond. According to Adam Smith, a special fellow feeling evolve in the faculty of sympathy between the attentive spectator and the principally observed. By these epistemological constructs the attentive spectator on the account of the principally observed person sympathize on what has befallen the principally observed person, with the knowledge that it also may befall himself. Accordingly, the attentive spectator deduces from what he observed and experienced on the account of the principally observed person, the fitness or unfitness of his own self-interest actions. From the sympathetic affections of what befalls others, the attentive spectator gains courage from the joy and pleasure that befalls others and become more observant of their own circumstance and actions from the pain and sorrow that have befallen the principally observed person. The principally observed person on the other hand find pleasure and encouragement knowing that what has befallen him, and his consequential behaviour and preferences carries the sympathy and approval of the attentive spectator or, to the contrary, the resentment or disapproval of the attentive spectator. This cause the principally observed person to deduce the fitness or unfitness of his own behaviour and preferences. By the faculty of sympathy, though motivated by a person’s own desire to avoid pain and gain pleasure in life, society are bonded together through this symbiotic relationship. The question now before us, is by which principles, rules or norms we judge certain behaviour and preferences, either of the principally observed person or of my own, to be fit or unfit, prudent, beneficent or just. Or differently put, the issue now before us, is the criterion of right action. In Adam Smith’s view wrote Raphael & Macfie (1982:17) “the main stream of ethical theory which holds that virtue consists in propriety, has offered only two suggestions. These two suggestions according to Adam Smith is utility, the other is *The Impartial Spectator*.” In other words, the criterion of right action is based on utility of the action, behaviour or preferences – the usefulness, profitableness or beneficial

response, to mention a few criteria of utility. Or in the alternative, the symbiotic relationship and affections that emanate between human beings – the philosophical construct of *The Impartial Spectator*. Throughout the work of Adam Smith in *The Theory of Moral Sentiments* he gives reasons for preferring the second. In this section, I endeavour to examine Adam Smith's philosophical construct of *The Impartial Spectator*. However, my focus necessarily must be narrower than that of a comprehensive account of his entire corpus.

Let me start at the root question underlying this enquiry. The root question or principal question that requires a response is: How do human societies hold together? In the previous section, I reflected on the faculty of sympathy that is thought of as the social bond. Underlying this faculty is the minimum conditions for their continuance – the proverbial glue that keep the bond together and intact. This is the net effect of Adam Smith's philosophical construct of *The Impartial Spectator*. Adam Smith's imaginative philosophical constructs of *The Impartial Spectator* is to show that people can and do live in relative harmony and work towards the general happiness of society provide they continuously refer to the binding moral force within them, that may be rudely described as conscience. Therefore, the question that needs to be explained is the source and nature of conscience, i.e. of a person's moral capacity; of a person's sense of duty and the behaviour and preferences of those persons that we relate to and in a symbiotic and sympathetic manner observe and experience what has befallen them and accordingly, judge our own behaviour, preferences and actions. The same reciprocity applies to those that observe my behaviour and preferences and whatever has befallen me. The originality of Adam Smith's *impartial spectator* lies in his development of the idea so as to explain the source and nature of conscience (Raphael & Macfie, 1982:15). I now proceed to firstly reflect on the nature of *The Impartial Spectator* and then conclude the section by my examination of the source of conscience as explained in Adam Smith's philosophical construct of *The Impartial Spectator*.

6.5.1 THE NATURE OF THE IMPARTIAL SPECTATOR

The underlying nature of the philosophical construct of *The Impartial Spectator* is the multitude of judgements a person makes, primarily of a person's own behaviour and preferences and those of other that a person relate to and converse. These judgements are made with reference to the underlying sentiments of a person and society. As Adam Smith (1759:128) wrote:

He [*the all-wise Author of Nature*] [own emphasis] has made man, if I may say so, the immediate judge of humankind and has, in this respect, as in many others, created him after his own image and appointed him his *vicegerent upon earth* [own emphasis], to superintend the behaviour of his brethren.

In exercising a person's appointment as vicegerent, a person ought not only to rely on his own judgement. Human beings, by the intent of the Author of Nature also has to respect the sentiments and judgements of others. In this regard Adam Smith (1759:158) observes it in the following way:

The all-wise Author of Nature has, in this manner, taught man to respect the sentiments and judgements of his brethren; to be more or less pleased when they approve of his conduct and to be more or less hurt when they disapprove of it. They are taught by nature to acknowledge that power and jurisdiction which has thus been conferred upon him, to be more or less humbled and mortified when they have incurred his censure and to be more or less elated when they have obtained his applause's.

The relevance of this nuanced nature of humans will become more relevant as I continue with my reflection. A person, therefore ought to rely on the person's own judgement of the person's behaviour and preferences, but also through sympathetic observation consider the judgement of others. With regard to the two dimensions of human beings as their own judge – whether they judge their own behaviour or preferences or that of others, a person has been rendered the immediate judge of the person itself in the first instance. “An appeal lies from his sentence,” wrote Adam Smith (1759:130),

to a much higher tribunal [own emphasis], to the tribunal of their own consciences – to that of the supposed impartial and well-informed spectator, to that of the man within the breast, the great judge and arbiter of their conduct [own emphasis].

By implication, taking into consideration Adam Smith's previous account of those systems which make reason the principle of approbation, one may assume that in the first instance a person relies on a person's *reason* to make an immediate judgement of the propriety of a person's behaviour and preferences and appeal to the tribunal of their higher conscience – to that of the supposed impartial and well-informed spectator – the philosophical construct of Adam Smith to explain human conscience. Accordingly, Adam Smith view the jurisdictions of those tribunals [reason and conscience] to be founded on principles which, though in some respects resembling and akin, are, however, in reality different and distinct (Smith, 1759:130). This distinction is evident in the dimensional difference between the sentiments of the real spectator – being the reasonable person and that of the imagined impartial spectator, being the conscience person within.

The judgement of the real spectator as a *reasonable person* is more basic and primordial and depends on the desire for *actual praise*. That of the higher tribunal,

depends on the desire for praise-worthiness. Indeed, a dimensional and qualitative difference in propriety (Smith, 1759:130).

Adam Smith (1759:130-131) accounts for this dimensional difference in the following manner.

The jurisdiction of the man without is founded altogether in the desire of actual praise and in the aversion to actual blame. The jurisdiction of the man within, is founded altogether in the desire of praise-worthiness and in the aversion to blame-worthiness; in the desire of possessing those qualities and performing those actions, which we love and admire in other people and in the dread of possessing these qualities and performing those actions, which we hate and despise in other people.

The love of praise-worthiness is by no means derived altogether from the love of praise. Those two principles, though they resemble one another, though they are connected and often blended with one another, are yet, in many respects, distinct and independent of one another and having different qualities of propriety (Smith, 1759:114).

Adam Smith's theory of conscience as the imagined impartial spectator therefore implies an impartial reflection from a distant and separated from the real person as appose to the immediate partiality and limited judgement of propriety and approbation by a person as the immediate judge. Secondly, the supposed impartial spectator as the person within the breast implies full knowledge, or as Adam Smith (1759:130) says, one who is well informed. I return to its relevance when I reflect on the source of conscience in the philosophical construct of *The Impartial Spectator*.

"Thus, the man within the breast," according to Adam Smith's (1759:131) construct, appears, like the demi God's of the poets, though *partly of immortal*, yet partly too of *mortal extraction*" [own emphasis]. This is a further distinction that is quite relevant. According to Adam Smith's construct, when person's judgements are steadily and firmly directed by the sense of praise-worthiness and blame-worthiness, a person seems to act suitably to a person's divine extraction. But when a person suffers self and is astonished and confounded by the judgements of those that are ignorant and weak, the person discovers the connexion with mortality *and* appears to act suitably, rather to the *human*, than to the *divine*, part of a person's origin (Smith, 1759:131) [own emphasis]. This distinction in nature is very relevant when one accounts for the source of conscience as it appears in later paragraphs.

So far, in this examination on Adam Smith's construct of *The Impartial Spectator*, I have highlighted certain salient aspects of the nature thereof. Before I proceed, let us just reflect on these salient aspects, yet once more. The underlying construct of *The Impartial Spectator* is the multitude of judgements made by humans. Humans are the immediate judges of humankind. In

exercising their appointment as vicegerent, human beings ought not only to rely on their own judgement but respect the sentiments and judgement of others. Humans, in the first instance rely on their own faculty of reason to deduce correct action and motive. By relying only on their own mortal reason, a person suffers and are often astonished and confounded by a person's own ignorance and weakness. As such the reasonable person is more basic and primordial in his judgements as it depends primarily on the desire for actual praise and gratification. By the grace and intent of the all-wise Author of Nature and the Great Judge, humans may appeal to a much higher tribunal, to the tribunal of human conscience, to that of the supposed impartial and well-informed spectator. The authority of human reason and the higher tribunal of human conscience are founded on principles which, though in some respect resembling and akin, are, however, in reality different and distinct. Accordingly, Adam Smith's theory of conscience as the imagined impartial spectator implies an immediate partial and limited judgement of propriety and approbation and a higher appeal as an impartial reflection from a distance. By reason people conform their judgements to the desire for praise and gratification and many a time accordingly suffers themselves to be astonished and confounded by their ignorant and weak judgements. As such humans act in accordance with their mortal nature. But when a superior sense of praiseworthiness steadily and firmly directs human judgement and an aversion to blame-worthiness individuals act suitably to their divine extraction – accordingly human behaviour and preferences show higher qualities and discernment.

Let us proceed from here! For a person to judge a person's own actions, preferences, proper tone of temper, tenor of conduct, the sentiments and judgements of others and to imagine how others are affected by a person's behaviour and preferences, *a person must change position*. As long as a person survey a person's interest and those of others from a person's selfish and original passions of human nature, a person can never put into balance a person's interest and those of others. A person can never restrain from doing whatever may tend to promote a person's own interest, how ruinous so ever to a person self (Smith, 1759:135). According to Adam Smith's (1759:136) philosophical construct of *The Impartial Spectator*, we must view our behaviour, preferences and those of others, neither from our own place nor yet from theirs, neither with our own eyes nor yet with theirs, but from the place and with the eyes of a third person, who has no particular connection with either and who judges with impartiality between them. If our sense of propriety and justice did not correct the otherwise natural inequality of our sentiments through some degree of reflection and even through philosophy, a person will find it difficult to be convinced of how little interest a person takes in the greater concerns of a person's neighbours and how much whatever affects a person relates to the person self (Smith, 1759:136).

The Impartial Spectator or the person within, serve as a looking glass. It is from this person only wrote Adam Smith (1759:137) "that we earn the real littleness of ourselves and of whatever relates

to ourselves and the natural misrepresentations of self-love can be corrected only by the eye of this impartial spectator." It is he [*the impartial spectator*],

who shows us the propriety of generosity and the deformity of injustice; the propriety of resigning the greatest interest of our own, for the yet greater interests of others and the deformity of doing the smallest injury to another, to obtain the greatest benefit to ourselves. It is not the love of our neighbour, it is not the love of humankind, which on many occasions prompts us to the practice of those divine virtues. It is a stronger love, a more powerful affection, which generally takes place on such occasions, the love of what is honourable and noble, of the grandeur and the dignity and superiority of our own characters (Smith, 1759:137).

The Impartial Spectator or person within may therefore also immediately correct false judgements made about us. If the person without, applaud us, either for action which we have not performed, or for motives which had no influence on us, the person within can immediately humble that pride and elevation of mind which groundless acclamations might be otherwise occasion, by telling us, that as we know that we do not deserve them, we render ourselves despicable by accepting them.

If, on the contrary the man without should reproach us, either for actions which we never performed, or for motives which had no influence upon those which we may have performed; the man within may immediately correct this false judgement and assure us, that we are by no means the proper objects of that censure which has so unjustly been bestowed upon us (Smith, 1759:131).

As such, *The Impartial Spectator* not only restore a person's dignity, innocence and tranquillity but it also guides the practice of the positive virtues and preservation of society through the negative virtues of justice. *The Impartial Spectator* influence the application of the virtues of prudence and beneficence, though the rules are fuzzy and influence the chosen conduct of the individual in the case of the negative virtue of justice, where the rules are not in doubt (Kennedy, 2008:70).

Adam Smith goes on to explain that the approval of the impartial spectator is really directed at that proper exertion of self-command which enables the prudent person to attach almost as much importance to future enjoyment as to the present (Raphael & Macfie, 1982:9). *The Impartial Spectator* also provides us with the judgements to check any excessive attachment to our wealth and propriety that obstruct our duty to benevolence. Likewise, *The Impartial Spectator* shows to us injustice and hurt caused to others and empower and encourage us to work towards justice and equity for all. By the power of *The Impartial Spectator* the wise and virtuous person directs the person's principle attention to the idea of exact propriety and perfection of estimating a person's own merit and in judging the person's own character and conduct.

It is indeed a slow, gradual and progressive work of “great demigod within the breast” wrote Adam Smith (1759:247), “the great judge and arbiter of conduct.” This idea wrote Adam Smith,

is in every person more or less accurately drawn, its colouring is more or less just, its outlines are more or less exactly designed, according to the delicacy and acuteness of that sensibility, with which those observations were made and according to the care and attention employed in making them.

In the wise and virtuous person, they have been made with the most acute and delicate sensibility and with the utmost care and attention as prescribed by *The Impartial Spectator* (Smith, 1759:247). The person who desires to be in command of a person’s behaviour and preferences – who desire to act according to the rule of perfect prudence, of strict justice and of proper beneficence will, by the grace of *The Impartial Spectator*, be guided and empowered with the strength and knowledge to correct everyday some blemish and improve some feature of his behaviour and preferences. The person that possess the virtue of self-command will study this idea more than other people. The person comprehends it more distinctly. The person will form a much more correct image of it and is much more deeply enamoured of its exquisite and divine beauty. The person endeavours to assimilate the person’s own character to this archetype of perfection. But the person imitates the work of a divine artist, which can never be equalled. As such a person feels the imperfect success of all endeavours and sees with grief and affliction, in how many different features the mortal copy falls short of the immortal original. A person will remember, with concern and humiliation how often, from want of attention, from want of judgement, from want of temper, a person has, both in words and actions, both in conduct and conversation, violated the exact rules of perfect propriety and has so far departed from the model, according to which the person wished to fashion a person’s own character and conduct (Smith, 1759:247-248).

But by the grace and power of the person within – *The Impartial Spectator*, the person will find the wisdom, power and love to pursue what is honourable and noble, of grandeur and dignity and superiority of character. This is the nature of *The Impartial Spectator* – the person within. This brings us to the real source of the person within – human conscience.

6.5.2 THE SOURCE OF HUMAN CONSCIENCE

Adam Smith’s spectator theory implies impartiality and a different and superior authority to human reason. These two inherent characters of the philosophical construct of *The Impartial Spectator* have not been made clear in Edition 1 of *The Theory of Moral Sentiments*. In subsequent Editions, notably Edition 6, Adam Smith has clarified and amplifies the source of conscience. In the first Edition, Adam Smith considered conscience as a product of social relationship and therefore of public opinion (Raphael & Macfie, 1982:15). According to Adam Smith’s metaphor of the Looking

glass, our first, though rudimentary reflection of our own behaviour and preferences, is concerned with the actions of other. Each of us are being judged by others, while simultaneously we judge others. According to the metaphor of the looking glass, we scrutinize the propriety of our own conduct, through the eyes of other people (Raphael & Macfie, 1982:16). In other words, we approve or disapprove of our conduct according to how we imagine others see or are likely to see our behaviour and the preference we express (Kennedy, 2008:48). Kennedy (2008:48) reflects on it this way: "It is from the social pressures of living in society that we judge the merits or demerits of our behaviour." Since the publication of Edition 1, Sir Gilbert Elliot has put an objection to Adam Smith that must have come to this: (Raphael & Macfie, 1982:16) "If conscience is a reflection of social attitudes, how can it ever differ from, or be thought superior to public opinion." In the revision for Edition 2, Adam Smith (cited by Raphael & Macfie, 1982:16) showed how the imagined impartial spectator can reach a more objective opinion than the actual spectators, who are liable to be misled by ignorance or the distortion of perspective. Smith in the earlier Editions, motivated the important difference between the views of the *person* without or the real external spectator and when I imagine myself as a spectator through the *person* within. The true feature of Adam Smith's spectator theory was not made sufficiently clear in earlier Editions (Raphael & Macfie, 1982:16). But, by the time Adam Smith came to revise his "spectator theory" for Edition 6, Adam Smith had become sceptical of popular opinion as the source of conscience (Raphael & Macfie, 1982:16). In Edition 6, Adam Smith made a clear distinction between jurisdiction of the faculty of reason as the source of man's immediate judgement of his behaviour and preferences in the first instance; and the tribunal of their "own consciences" as the "supposed impartial spectator" (Smith, 1759:130). The jurisdiction of reason and conscience as I have already alluded to, are founded on the principles which, though in some respects are the same but in reality, are different and distinct (Smith, 1759:130). The jurisdiction of the person without is founded altogether in the desire of actual praise and in the aversion to actual blame. The jurisdiction of the man within, is founded altogether in the desire of praise-worthiness and in the aversion to blame-worthiness (Smith, 1759:131). I have already in the previously mentioned text reflects on the distinction in quality and dimension and I would therefore not further elaborate. Adam Smith maintains the distinction in the other parts of new material added to Edition 6, especially when Adam Smith (1759:131) made the distinction between "man's connection with mortality and the divine part of his origin."

To contextualize these distinctions, I wish once more to cite those references as contained in Edition 6:

When his judgements are steadily and firmly directed by the sense of praise-worthiness and blame-worthiness, he seems to act suitably to his divine extraction: But when he suffers himself to be astonished and confounded by the judgement of

ignorant and weak man, he discovers his connexion with mortality and appears to act suitably, rather to the *human*, than to the *divine part* of his origin (Smith, 1759:131) [own emphasis].

From my observation, conscience as defined in Adam Smith's "*spectator theory*" is therefore not a reflection of social attitudes nor does conscience begin with popular opinion. People's own conscience lies in a much higher tribunal that is neither entirely perfect nor mundane. As Adam Smith (1759:131) observed "though partly of immortal, yet partly too of mortal extraction." From my interpretation of Adam Smith's (1759:131) construct, "man's own conscience, is rather an expression of man's divine extraction than a connection to man's mortality as expressed by man's reason in the first instance." This observation is further clarified in the two sections to follow. They reflect on three further questions that ought to elicit a proper response. These three questions are the following. What is the influence and authority of conscience in Adam Smith's moral and ethical thinking. Secondly, when the approbation of a person's conscience cannot content the weakness of a person and the great inmate of the breast – *The Impartial Spectator* – cannot support a person, is there any affectual consolation. Finally, what is the intended outcome or end goal according to Adam Smith's ethical and economic thinking and in particular Adam Smith's *classical exchange model*. Question 1 and 2 will be dealt with in Section 6.6 and the latter question in Section 6.7. By answering these three questions, I conclude my examination of Adam Smith's ethical thinking underlying, *the classical exchange model*.

6.6 THE INFLUENCE AND AUTHORITY OF CONSCIENCE

In Section 6.1 to 6-5 above, I have endeavoured to examine Adam Smith's account of the basis of moral judgement and his philosophical construct of *The Impartial Spectator*. Adam Smith employed the philosophical construct to explain the nature and source of human conscience – a person's capacity to judge a person's own actions, behaviour and preferences, especially of a person's sense of duty. Through a symbiotic and sympathetic manner, a person observes and experience what has befallen others and accordingly judge a person's own behaviour, actions and preferences. This philosophical construct of *The Impartial Spectator* explains the looking glass analogue that Adam Smith use to illustrate how the behaviour and preferences of people in society are being judged and moderated to a degree of acceptance. In Section 6.1 to 6.5, I have dealt with the first part in the trilogy to explain the criterion or basis of moral judgement of human behaviour and preferences. In this section, I continue with the enquiry and reflect on Adam Smith's account of "the influence and authority of conscience" being the second aspect of the trilogy. This further amplifies the philosophical construct of the impartial spectator and bring us closer to understand and appreciate the influence of human conscience on human behaviour and preferences. More specifically, the authority and origin of the rules that evolve in society through the symbiotic and sympathetic relationship between persons in society. In the latter part of section

6.7, I reflect on the third aspect of the trilogy when I briefly enquiry into the affectual consolation – if any, or when a person’s conscience cannot content the weaknesses of a person and the great inmate of the breast – *The Impartial Spectator* cannot guide human behaviour and preferences to a degree of acceptability required for harmony and natural liberty within society. The latter two concepts of harmony and natural liberty as eschatological terms to describe the final course of human behaviour and preferences [Definition of Eschatology according to Merriam Webster dictionary] are dealt with in the final Section 6.8. In Section 6.6.1, I reflect on the “influence of conscience” on human behaviour and preferences, to illuminate the rectitude of our judgements concerning the propriety of conduct. Thereafter I conclude this section by examining the authority of the general rules of conduct, what is properly called rules of morality – or laws of the Deity, from which we derive our sense of duty.

6.6.1 THE INFLUENCE OF CONSCIENCE ON HUMAN BEHAVIOUR AND PREFERENCES

In Adam Smith’s account of the “influence of conscience,” Adam Smith (1759:137) raised the question “When our passive feelings are almost always so sordid and so selfish, how comes it that our active principles should often be so generous and so noble.” This question, at least in my view, goes to the core of human conscience and the influence thereof on human behaviour and preferences. Adam Smith also posed the question in a different way that narrow the focus of the attention that it deserves. When we are, wrote Adam Smith (1759:137)

always so much more deeply affected by whatever concerns ourselves than whatever concerns other men, what is it that prompts the generous, on all occasions and the mean upon many, to sacrifice their own interests to the greater interests of other?

The relevance of these questions that Adam Smith raised is even greater if we consider that both the questions and Adam Smith’s own reply were not included in the 1759 draft of *The Theory of Moral Sentiments*. This goes to show that Adam Smith’s own appreciation of human conscience – its influence and authority, has advanced from earlier thoughts. Adam Smith’s reply to these questions take us a step further to fully comprehend the influence and may I add, the beauty of human conscience. It set the concept of human conscience apart from egoistic philosophical explanations and the soft power of humanity that egoistic philosophy relies on as an explanation of human behaviour and preferences. In my view, it set the concept of human conscience, in an altogether different realm or dimension of being.

Adam Smith (1759:137) answers his own question in this manner:

It is not the soft power of humanity, it is not that feeble spark of benevolence which nature has lighted up in the human heart, that is thus capable of

counteracting the strongest impulses of self-love. It is a stronger power, a more forcible motive, which exerts itself upon many occasions. It is reason, principle, conscience - the inhabitant of the breast, the man within, the great judge and arbiter of our conduct. It is he who, whenever we are about to act so as to affect the happiness of others, calls to us, with a voice capable of astonishing the most presumptuous of our passions, that we are but one of the multitude, in no respect better than any other in it and that when we prefer ourselves so shamefully and so blindly to others, we become the proper objects of resentment, abhorrence and execration. It is from him only that we learn the real littleness of ourselves and of whatever relates to ourselves and the natural misrepresentations of self-love can be corrected only by the eye of this impartial spectator. It is he who shows us the propriety of generosity and deformity of injustice, the propriety of resigning the greatest interest of our own, for the yet greater interest of others and the deformity of doing the smallest's injury to another, in order to obtain the greatest benefit to ourselves.

Adam Smith (1759:137) continues answering his own posed question in this way:

It is not the love of our neighbour, it's not the love of mankind, which upon many occasions prompts us to the practice of those divine virtues. It is a stronger love, a more powerful affection, which generally takes place upon such occasions; the love of what is honourable and noble, of grandeur and of dignity and of superiority of our own character.

It is indeed a different dimension, an altogether different view and outlook and a more powerful force that ought to shape and guide our behaviour and preferences. Without which we – as self-love suggest to us, continue unashamedly to prefer the interest of one to that of many (Smith, 1759:138). And when the happiness or misery of others depends in any respect on our conduct, we choose and value ourselves too much and other people too little and that, by doing so, we render ourselves the proper object of the contempt and indignation of our neighbour (Smith, 1759:138).

But what makes the difference? The answer, according to Adam Smith (1759:138), is to remedy the eye of the mind. Adam Smith employed an analogy of the eye of the body and the eye of the mind to explain how distortions in dimensions are corrected in both. As I deem this analogy suitable to explain the influence of human conscience and the relativity thereof, I elect for the purpose of this section, to cite Adam Smith's analogy. "As to the eye of the body", wrote Adam Smith, (1759:134)

objects appear great or small, not so much according to their real dimensions, as according to the nearness or distance of their situation; so, do they likewise to what may be called the natural eye of the mind and we remedy the defects of both these organs pretty much in the same manner.

Adam Smith then proceeded to relate this reality of our external senses to his own situation overlooking an immense landscape of lawns and woods and distant mountains, from the little window of the chamber in which he was sitting in when writing. From that advantage point, the vast landscape was out of all proportion to those objects in the chamber and seems to do no more than cover the little window which he wrote by (Smith, 1759:135).

To form a just comparison between those great objects and the little objects around me, wrote Adam Smith (1759:135) “he has to transport himself by habit and experience to a different station, from where he can survey both at nearly equal distance and thereby form some judgement of their real proportions.” By transporting, at least in fancy, himself to a different station and advantage point, the real magnitudes of the vast landscape can be put in balance with the small objects in the chamber.” In the same manner, wrote Adam Smith (1759:135)

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 passionate joy or sorrow, a much more ardent desire or aversion, than the greatest concern of another with whom we have no particular connexion. The same applies to my judgement of the behaviour and preferences of others and their judgement of mine. If simply judged from my own limited perspective, as I can never fully comprehend the affection and motives of others, my interests, desires, passions and aversions are viewed as having superior dimensions and their real magnitudes are swelled and dilated. The interests, desires, passions and aversions of others, as long as they are surveyed from my own station can never be put into the balance with our own, can never restrain us from doing whatever may tend to promote our own, how ruinous so ever to.

If the sense of propriety and justice that I have already acquired by habit and experience does not correct the otherwise inequality of my sentiments I have to, by some degree of reflection and even philosophy, change my position, from where I can survey my behaviour and preferences, how it concerns and relate to others and come to a judgement of their real proportions. In doing so, the person of such judgement soon finds that the person has no such indulgent partiality and could moderate the person’s behaviour and make choices that do not cause anger, resentment or hardship and therefore enters into the great school of self-command and more and more master the sensibility and ability to exercise command over the person’s own behaviour and

preferences – the discipline which the practice of the longest life is very seldom sufficient to bring to complete perfection (Smith, 1759:145). But, from the continual observations from the eye of *The Impartial Spectator* on my own conduct, as it concerns and relate to others and on what has befallen others and their conduct, behaviour and preferences, insensibly lead us to form to ourselves certain rules concerning what is fit and proper either to be done or to be avoided (Smith, 1759:159).

By these observations, nature helps us to remedy the self-deceit that are all caused by our unfettered passions, desires and aversions and that are the source of half the disorders of human life (Smith, 1759:158). In this manner nature help us to naturally lay down to ourselves a general rule, that all such actions are to be avoided, as tending to render as odious, contemptible, or punishable, the objects of all those sentiments for which we have the greatest dread and aversion. Other actions, on the contrary, call forth our approbation and we hear everybody around us express the same favourable opinion concerning them. Everybody is eager to honour and reward them. They excite all those sentiments which we have by nature the strongest desire, the love, the gratitude, the admiration of humankind (Smith, 1759:159). Accordingly, we become ambitious, wrote Adam Smith (1759:159) “of performing the like and naturally lay down to ourselves a rule of another kind, that every opportunity of acting in this manner is carefully to be sought after.”

It is therefore that the general rules of morality are formed (Smith, 1759:159).

They are ultimately founded on the symbiotic and sympathetic observation of our behaviour and preferences and these of others and upon experience of what, in particular instances, our moral faculties, our natural sense of merit and propriety, approve or disapprove of (Smith, 1759:159).

Accordingly, Adam Smith (1759:159) observes

that we do not originally approve or condemn particular actions because, upon examination, they appear to be agreeable or inconsistent with a certain rule. The general rule, on the contrary, is formed, by finding from experience, that all actions of a certain kind, or circumstanced in a certain manner, are approved or disapproved of.

“For instance, the admiration one may have for generosity and the contempt we feel for baseness, neither of them arises from reflecting that there are certain general rules which declares all actions of the one kind admirable and all actions of the other contemptable” (Smith, 1759:160). Those general rules wrote Adam Smith (1759:160) “on the contrary, are all formed from the experience we have had of the effects which actions of all different kinds naturally produce upon us.” Accordingly, Smith (1759:160) says that “the general rules which determine what actions are and what are not, the objects of each of those sentiments, can be formed no other way than by

observing what actions actually and in fact excite them.” When these general rules are deduced from observation and experience and universally acknowledged and established, by the corresponding sentiments of humankind, we appeal to them as to the standards of judgements in debating concerning the fitness or unfitness, degree or praise or blame that is due to certain behaviour and preferences we make. They are as such cited as the ultimate foundations of what is just and unjust in human conduct (Smith, 1759:160). Adam Smith (1759:160) is therefore of the opinion, that eminent authors erroneously

draw up their systems [i.e. ethical theories] in such a manner, as if they have supposed that the original judgements of mankind with regards to right and wrong, were formed like the decisions of a court of judicatory, by considering first the general rule and then, secondly, whether the particular action under consideration fell properly within its comprehension.

Once these general rules of conduct, are fixed in our minds by habitual reflection, they become of greater use in correcting the misrepresentations of self-love concerning what is fit and proper to be done in a particular situation. These rules are also applied in dealing with the misfortunes experienced by one self and others, how to avoid indulgence in one’s passion, how to deal with and undesirable loss in reputation, to develop a genuine fellow feeling for others, to deal with the deceptions of the mere want of fortune, how to celebrate and having a fellow feeling when joy and success are experienced and how to avoid causing hurt to others and care for those we can serve, only to mention but a few. In the final analysis, these general rules are really directed at what Adam Smith (1759:140) calls

that proper exertion of self-command, which enables the prudent man to attach almost as much importance to future enjoyment as to the present and to take interest in the fortune of those we are acquainted to or having a connection – those we can cause hurt and those we can serve, as ordered by nature.

It is indeed, by habitual reflection that we establish general rules and it is by the sensibility and sacred regard for these rules that the person of the most perfect virtue, the person whom we naturally love and revere the most, develop the most perfect command of the person’s own original and selfish feeling, the most exquisite sensibility both to the original and sympathetic feelings of others. The person who, to all the soft, the amicable and the gentle virtues, joins all the great, the awful and the respectable, must surely be the natural and proper object of our highest love and admiration (Smith, 1759:152). This is indeed the person who feels the most of joys and sorrow of others, is best fitted for acquiring the most complete control of the person’s own joys and sorrows. The person of the most exquisite humanity, is naturally the most capable of acquiring the highest degree of self-command (Smith, 1759:152).

Without the sacred regard of these general rules, wrote Adam Smith (1759:163),

there is no man whose conduct can be much depended upon. It is this which constitutes the most essential difference between a man of principle and honour and a worthless person. The one adheres, on all occasions, steadily and resolutely to his maxims and preserves through the whole of his life one even tenor of conduct.

The other, according to Adam Smith (1759:163) “acts variously and accidentally, as humour, inclination, or interest change to be uppermost.”

Ultimately, on the tolerable observance of his maxims, each person contribute to the very existence of human society and would crumble into nothing if humankind were not generally impressed with a reverence for those important rules of conduct (Smith, 1759:163) – The regard of those general rules of conduct is what is properly called a sense of duty, a principle of the greatest consequence in human life and the only principle by which the bulk of humankind are capable of directing their proper tone of temper and tenor of conduct. It is by these general rules and their continual observance that nature guide and shape human behaviour and preferences and the degree of self-command arise which is necessary to obtain that self-approbation. By these general rules and the consequential virtue of self-command all other virtues of prudence, beneficence and justice adhere their beauty and propriety. This is the influence of conscience!

6.6.2 THE AUTHORITY OF CONSCIENCE

In Adam Smith’s (1759:160) account of the “Influence and Authority of Conscience,” Adam Smith refer to the sensibility, conscience or concurring sentiments that are antecedent to the formation of general rules of morality. These general rules of morality are ultimately founded on experiences of what, in particular instances, our moral faculties, our natural sense of merit and propriety approve, or disapprove of (Smith, 1759:159). Let me cite the explanation that Adam Smith offer in this regard. Adam Smith (1759:159) explained it this way:

to the person who first saw an inhuman murder, committed from avarice, envy, or unjust resentment and upon one too that loved and trusted the murderer, who beheld the last agonies of the dying person, who heard him, with his expiring breath, complain more of the perfidy and ingratitude of his false friend, than of the violence which had been done to him, there could be no occasion, in order to conceive how horrible such an action was, that he should reflect, that one of the most sacred rules of conduct was what prohibited the taking away of the life of an innocent person, that this was a plain violation of that rule and consequently a very blameable action.

Adam Smith then conclude that the persons destation of this crime, it is evident, would arise instantaneously and antecedent to his having formed to himself any such general rule. The

general rule, on the contrary, which he might afterwards form, would be founded on the destitution which he felt necessarily arise in his own breast, at the thought of this and every other particular action of the same kind (Smith, 1759:159-160).

From the previous citation, it is evident that a certain sensibility of concurring sentiment manifesting as human conscience, are antecedent to the formation of the general rules of morality and impartial to the circumstances on which the general rule is established. These sensibilities or concurring sensibilities are first impressed by nature and afterwards confirmed by reasoning, philosophy and religion and observed by the virtuously educated (Smith, 1759:162-163).

Adam Smith (1759:164) wrote that religion, even in its rudest form, gave a sanction to the rules of morality, long before the age of artificial reasoning and philosophy. According to Adam Smith (1759:164) that the terrors⁹ of religion should therefore enforce the natural sense of duty, was of too much importance to the happiness of humankind, for nature to leave it dependent on the slowness and uncertainty of philosophical doctrines. Philosophical doctrines, however, when they came to take place, wrote Adam Smith (1759:164)

confirmed those original anticipations of nature. Upon whatever we suppose that our moral faculties are founded, whether upon a certain modification of reason, upon an original instinct, called a moral sense, or upon some other principle of our nature, it cannot be doubted, that they were given to us for the direction of our conduct in this life. They carry along with them the most evident badges of this authority, which denote that they were set up within us to be supreme arbiters of all our actions, to superintend all our senses, passions and appetites and to judge how far each of them was either to be indulged or restrained.

Our moral faculties are therefore indeed of a peculiar nature and bestow censure or applause on all the other principles of our nature.

Adam Smith (1759:165) is therefore of the opinion that since these antecedent and concurring sentiments, were plainly intended to be the governing principles of human nature, the rules which they prescribe are to be regarded as the commands and laws of the Deity¹⁰ promulgated by those *vicegerents* which has set up within us. These general rules which determine the merit and demerit of our behaviour and preferences, whether the motive is self-interest or otherwise

⁹ The denotation of the word “terrors of religion” is not necessarily an expression of Adam Smith’s (1759:164) experience but rather a reference to the ignorance and darkness of pagan superstition, when mankind seemed to have formed the ideas of their divinities with so little delicacy. Adam Smith, on the contrary, follow the Stoic view that the world is governed by the all ruling providence of a wise, powerful and good God (Raphael & Macfie, 1982:8)

¹⁰ In terms of the entire corpus of Adam Smith’s ethical and moral thinking as pronounced in “The Theory of Moral Sentiments,” the reference to Deity may also be to God – The Author of Nature.

regarded as the laws of, what Adam Smith (1759:165) called, the All-Powerful Being. Because the All-Powerful Being watches over our conduct, those general rules acquire a new sacredness from this consideration. [own emphasis]. It is therefore for this reason that our regard for their *sacredness* cause all those who believe in the existence of the Deity not to be disobedient to either the will of the Deity or to the general rules. “The disobedience to either is the most shocking impropriety” (Smith, 1759:170).

It is indeed, argues Adam Smith (1759:170) vain and absurd should a person either not regard the will of the Deity to be the supreme rule of conduct or oppose or neglect the command that was laid on a person by Infinite Wisdom and Infinite Power! In fact, Adam Smith (1759:170) regards such disobedience neglect and opposition as unnatural and consider those that do not show reverence to the precepts that were prescribed to them by the infinite goodness of his Creator, to be impiously ungrateful. The impious and ungrateful person may, however, endeavour to escape the observation of other human beings and try to be placed above the reach of human punishment, but always acting under the eye and remain exposed to the punishment of God, the great avenger of injustice (Smith, 1759:170).

The “Authority of Conscience” is therefore vested in the Infinite Wisdom and Infinite Power of the All-Powerful Being.

6.6.3 SENSE OF DUTY AS THE RULING PRINCIPLE OF OUR CONDUCT

The question now before us, is whether our sacred regard for the governing principles and the consequential general rules, implies that we ought to act at all times in accordance with our sense of duty or may we act in some circumstance in self-interest when reason dictates. One school of thought, uphold the assertion that the sole principle and motive of our conduct in the performance of all those different duties as prescribed by the general rules ought to be a sense that God has commanded us to perform them. Accordingly, all affections for particular objects, ought to be extinguished in our mind. Propriety is therefore vested in what God command and the desire of rendering ourselves agreeable to him. Our conduct ought therefore to be directed, in every respect, according to God’s will and the propriety of utility rest on this sole principle and motive (Smith, 1759:171). In those cases, other sentiment or affections ought not to have any influence. That the sense of duty should be, as common sense directs, be the ruling and the governing principle of our conduct, the question, however is, in what cases our behaviour and preferences ought to arise chiefly or entirely from a sense of duty, or from a regard to the general rules and in what cases – if any – some other sentiment or affection, such as self-love, ought to concur and have a principle or guiding influence (Smith, 1759:171).

According to Adam Smith's (1759:171-172) account of the question under review, the appropriate response is reliant on two considerations. Firstly, it depends on the natural agreeableness or deformity of the affection itself, how far our behaviour and preferences ought to arise independent from it, or entirely proceed from a regard to the general rule (Smith, 1759:171). Secondly, on the precision and exactness, or the looseness and inaccuracy of the general rules themselves (Smith, 1759:171).

In respect of the first consideration, I wish to reflect on the illustrations by Adam Smith in reply thereto. All those grateful and admired actions wrote Adam Smith (1759:172),

to which the benevolent affections would prompt us, ought to proceed as much from the passions themselves, as from any regard to the general rules of conduct. A benefactor thinks himself but ill requir'd, if the person upon whom he has bestowed his good offices, repay them merely *from a cold sense of duty* [own emphasis].

The contrary maxim takes place with respect to the "malevolent and unsocial passions" (Smith, 1759:172). We ought to reward from the gratitude and generosity of our own hearts and not because we are commanded to do that. On the contrary, we ought always to punish with reluctance and more from a sense of the propriety of punishing, than from any savage disposition to become even by revenge (Smith, 1759:172).

With regards to our self-interest behaviour and preferences, our selfish passions hold a sort of middle place, between the social and unsocial affections of benevolence and malevolence. In respect of the pursuit of private interest, in all common, little and ordinary cases, our behaviour and preferences ought to flow rather from a regard of the general rules which prescribe such conduct, than from any passion for the objects themselves but, on more important and extraordinary occasions, our self-interest conduct would be awkward, insipid and ungraceful, if the objects themselves did not appear to bring alive a considerable degree of passion (Smith, 1759:173). To clarify this point, I elect to cite Adam Smith's (1759:173) illustration in respect thereto:

To be anxious, or to be laying a plot either to gain or to save a single shilling, would degrade the most vulgar tradesman in the opinion of all his neighbours. Let his circumstance be ever so mean, no attention to any such small matter. for the sake of things themselves, must appear in his conduct. His situation may require the most severe oeconomy (sic) and the most exact assiduity: but each particular exertion of that economy and assiduity must proceed, not so much from a regard for that particular saving gain, as for the general rule which to him prescribes with the utmost rigour, such a tenor of conduct. His

parsimony to-day must not arise from a desire of the particular three-piece which he still save by it, nor his attendance in his shop from a passion for the particular ten pence which he will acquire by it: both the one and the other ought to proceed solely from a regard to the general rule, which prescribes, with the most unrelenting severity, this plan of conduct to all persons in his way of life. In those consists the difference between that character of a miser and that of a person of exact oeconomy (sic) and assiduity. The one is anxious about small matter for their own sake; the other attends to them only in consequence of the scheme of life which he has laid down himself.

In respect of the more extraordinary and important objects of self-interest behaviour and preferences, a quite otherwise approach is required. In these instances, a person's behaviour and preferences are chiefly consequential to a person's self-interest motive, with some degree of ambition and earnestness for their own sake (Smith, 1759:173). Under these extraordinary cases a person is prompted to having a behaviour of conduct and to make choices independent of all regard to a cold sense of duty and keenness of one's ambition. In such cases, a person appears mean-spirited or a person of dull regularity, who does not pursue these instances and objects of self-interest with some degree of earnestness for their own sake. Adam Smith offer the example of the prince who would be despised if the prince does not conquer or defend the country with the anxiousness and earnestness it demands (Smith, 1759:173). Likewise, we should have little respect, wrote Adam Smith (1759:173) for a private gentleman who did not exert himself to gain an estate, or even a considerable office, when he could acquire them without either meanness or injustice. Even a tradesman is thought a poor-spirited person among his neighbours, who does not bestir himself to get what they call an extraordinary job, or some uncommon advantage.

Adam Smith (1759:173) then continues to observe that this spirit and keenness constitutes the difference between the person of enterprise and the person of dull regularity. Those great objects of self-interest, of which the loss or acquisition quite changes the rank of the person, are the objects of the passion properly called ambition, a passion, which when it keeps within the bounds of prudence and justice, is always admired in the world and had even sometimes a certain irregular greatness, which dazzles the imagination, when it passes the limits of both these virtues and is not only unjust but extravagant. Therefore Adam Smith (1759:174) observed that the objects of avarice and ambition differ only in their greatness. As such the deformity of their sentiment or their object of self-interest may negate all regards to the general rule. However, by its natural agreeableness, it may, as an independent act of conduct, be virtuous and of great sensibility, having a concurring sentiment that is fit for the extraordinary occasions as an meanable object of self-interest. Under these circumstance or cases, self-interest sentiment or affection may have a principle influence. In the second instance, our behaviour and preferences

may proceed independent from a regard for the sense of duty depending on the precision and exactness, or the looseness and inaccuracy of the general rules themselves (Smith, 1759:174).

The general rules of almost all the virtues, being it the virtue of prudence, benevolence, beneficence, generosity, friendship, good neighbourliness. are in many respects, not precise and exact. For this reason, the tone of temper or tenor of conduct admits so many exceptions and require so many modifications, that it is scarce possible to regulate our behaviour and preferences entirely by a regard to them (Smith, 1759:174).

For example, the common proverbial maxims of prudence, being founded in universal experience are perhaps the best general rules which can be given about it. (Smith, 1759:174). Accordingly, to affect, a very strict and literal adherence to them, wrote Adam Smith (1759:174) would evidently be the most absurd and ridiculous pedantry. *It therefore follows that human behaviour and preferences can therefore not chiefly and entirely rely on the precisions and exactness of these general rules. Our conduct should therefore rather be directed by a certain idea of propriety, by certain taste for a particular tenor of conduct, than by any regards to a precise maxim or rules and we should consider the end and foundation of the rule, more than the rule itself* (Smith, 1759:175) [own emphasis].

There is, however, one virtue, asserts Adam Smith (1759:175) of which the general rules determine with the greatest exactness every external action which it requires. This virtue is justice. Accordingly, argues Adam Smith (1759:175) the rules of justice are accurate in the highest degree and admit of no expectations or modifications, but such as may be ascertained as accurately as the rules themselves and which generally, indeed, flow from the very same principles with them. For instance, if I borrow 100 Euros from a person, justice requires that I should repay the loan at the terms and conditions agreed on, or when it is demanded. The terms and conditions agreed on is precisely fixed and determined (Smith, 1759:175). Accordingly, it may be awkward and pedantic, therefore to affect too strict an adherence to the common rules of prudence or generosity but there is no pedantry in sticking fast by the rules of justice (Smith, 1759:175).

I shall, notwithstanding my desire for brevity and completeness, take no further time to examine this aspect of the authority of conscience. I wish now to complete this segment in addressing the last question that require a response to fully account for the nature and source of conscience.

6.7 AFFECTUAL CONSOLATION

In Section 6.6, I have endeavoured to examine Adam Smith's account of the nature and source of human conscience and his philosophical construct of *The Impartial Spectator* to illustrate the symbiotic and sympathetic relationship between rational beings. It is by this symbiotic and sympathetic relationship that persons and society, based on certain sensibilities and concurring sentiments, that are antecedent and impartial to circumstances and passion and objects of self-

interest established general rules. Through continuous reflection and virtuous education, a person gains a certain experience and develop through habitual sympathy habits of behaviour and make concurring decisions in response thereto. By this process, the passive feelings of human beings that are almost always “sordid and so selfish” (Smith, 1759:137) are changed and more often than not become so generous and noble!! What prompt a person to sacrifice their own interest to the greater interest of others and become equally concerned about what so deeply concern others as what affect himself, is not the soft power of humanity, nor a feeble spark of benevolence that nature light up in the human heart to counter the strongest impulses of self-love. It is *reason* acquired through experience and habits; general rules and principles deduced from the sensibilities and concurring sentiments antecedent and impartial to circumstance and objects of our desires, passions and aversions- our conscience – the inhabitant of the breast – the man within, the great judge and arbiter of our conduct (Smith, 1759:137) that shape and guide our behaviour and preferences. It is to this person within – *The Impartial Spectator*– the tribunal of human conscience that a person appeal to in the first instance and respond according to the voice within that is capable of astonishing the most presumptions of our passions. It is by the power of this voice that we come to realize that I am but one of the multitude, in no respect better than any other and that when I prefer myself so shamefully and so blindly to others, I become the proper object of resentment, abhorrence and execration. It is from this voice only that I learn the real littleness of myself and of whatever relates to myself and correct the natural, misrepresentations of self-love and moderate my own behaviour and preferences to an acceptable and agreeable level (Smith, 1759:137). It is the eye of *The Impartial Spectator* wrote Adam Smith (1759:137) that show us the propriety of generosity and the deformity of injustice, the propriety of resigning the greatest interest of our own, for the yet greater interest of others and the deformity of doing the smallest injury to another, to obtain, the greatest benefit to ourselves. It is not the love of our neighbour, it is not the love of humankind, which on many occasions prompts us to the practice of those divine virtues. It is a stronger love, a more powerful affection which generally takes place on such occasions; the love of what is honourable and noble, of the grandeur and dignity and the superiority of our own character (Smith, 1759:137). This is the voice within – *The Impartial Spectator* that guide and shape our behaviour and preferences. The voice that remind me of the sensibilities and sentiments that are within and guide and direct me accordingly to establish general rules of behaviour and preferences. General rules that in no doubt are rules of the Author of Nature – God – The Architect (Smith, 1759:137).It is indeed through the approbation of my own conscience, through the testimony of the supposed impartial spectator, of the great inmate of the breast, that I can see what relates to myself in its proper shape and dimensions or that I can appeal to make proper comparison between my own interest and those of others (Smith, 1759:134).

But, the approbation of my conscience cannot always alone support me. Though the influence and authority of this principle is, on all occasions, very great, there are extraordinary occasions, that a person's conscience cannot content the person's weakness (Smith, 1759:134). In such cases, wrote Adam Smith (1759:131), the only affectual consolations of the humbled and affected person, lies in an appeal to a still higher tribunal, to that of the all-seeing judge of the world, *whose eyes can never be deceived and whose judgement can never be perverted* [own emphasis].

Indeed, a firm confidence in the unerring rectitude of this great tribunal would support a person under the weakness and despondency of the person's own mind (Smith, 1759:131-132). It is through this appeal to the higher tribunal that the perturbation of the person within the breast, - a person's own conscience would regain not only its innocence, but also tranquillity (Smith, 1759:132). A person's affectual consolation, when human conscience cannot content the person's weakness and the person's own dignity and hope are hardly any consolation, is in the realization that the person like all other beings are all naturally disposed to over-rate the excellence of the person's own character (Smith, 1759:133). We are also disposed to sacrifice our innocence and our tranquillity in our *drive* to pursue our happiness.

Adam Smith therefore offers the discourse of the eloquent and philosophical Massillon, Bishop of Clermont. Bishop Massillon is cited by Adam Smith (1759:133) saying:

But you, on the bed of death, can you dare to represent to Him your fatigues and the daily hardships of your employment? Can you dare to solicit Him for any recompense? and in all the exertions that you have made, in all the violence that you have done to yourselves, what is there that He ought to place to His own account? The best days of your life, however, have been sacrificed to your profession and ten years of service has more worn out your body, that would, perhaps, have done a whole life of repentance and mortification. Alas! my brother, one single day of those sufferings, consecrated to the Lord, would, perhaps, have obtained you eternal happiness. One single action, painful to nature and offered up to Him, would, perhaps, have secured to you the inheritance of the saints. And you have done all this and in vain, for this world.

These were the words of Bishop Massillon, to the regiment of Catinat in which he compared, "the futile modifications of a monastery to the ennobling hardships and hazards of war" (Smith, 1759:134). The questions that Massillon posed to the officers of Catinat, the solitary monk in his cell whose services and duties sometime go beyond the rigour and severity of the most austere cloister, equally applies to those who are also engaged in a war outside the confines of the monastery. Both the monk and soldier make severe sacrifices in the hope of an assured

recompense and victory. Massillon then posed the question can you dare to represent to Him your fatigues and the daily hardships of your employment? Can you dare to solicit Him for any recompense? and in all the exertions that you have made, in all the violence that you have done to yourselves, what is there that He ought to place to His own account? In the latter part of the question, Massillon touched on the core of his discourse and his benediction to the standard of the regiment. Massillon found that both the monk and soldier made sacrifices to their profession and that they have wasted the best days of their lives by wearing out their bodies for 10 years. Massillon, then expressed his grief-pity and concern by using the expression "Alas." Massillon continued to state that their conduct has been in vain and that, one single day of those sufferings, consecrated to the Lord, would perhaps, have obtained them an eternal happiness. One single action, painful to nature and offered up to Him, would perhaps have secured to them the inheritance of the saints. Massillon in his conclusion that their hardship has been done in vain for this world, reflects on the monk and soldiers hope of an assured recompense and repayment for their sacrifice. Instead Massillon asserts that both would have gained more by consecrating their days to the Lord. By implication Massillon's assertion suggest that both the monk and soldier should have rather for one day declared their life to be and to represent God as vicegerents on earth and be the image of God and devote and turn their efforts to the devout and contemplative virtues.

It is within this context that we ought to understand Adam Smith's (1759:132) observation, that the affectual consolation of a humbled and afflicted person lies in an appeal to a still higher tribunal, to that of the all-seeing judge of the world. It is then that a person's hope and humble expectation – which is so deeply rooted in human nature, of a life to come will become real and tacit. It is really by our higher appeal to the higher tribunal that we will turn and devote our efforts to the devout and contemplative virtues that will restore our innocence and tranquillity. It is only then that a world will come (Smith, 1759:132):

- Where exact justice will be done to every person;
- Where every person will be ranked with those who, in the moral and intellectual qualities, are really equals;
- Where the owner of those humble talents and virtues which, from being depressed by fortune, had in this life, no opportunity of displaying themselves;
- Which were unknown, not only to the public, but which the person could scarce be sure that the person possessed and for which even the man within the breast could scarce ventures to afford the person any distinct and clear testimony;
- Where that modest, silent and unknown merit, will be placed on a level and sometimes above those who, in this world, had enjoyed the highest reputation and who, from the

advantage of their situation, had been enabled to perform the most splendid and dazzling actions.

It is only then that we will no longer favour the assiduous courtier over the faithful and active servant; that attendance and adulation will no longer be shorter and surer roads to preferment than merit or service (Smith, 1759:132). It is only then that what is considered as the greatest reproach, even to the weakness of earthly sovereigns, are now ascribed, as an act of justice, to divine perfection; and the duties of devotion. The public and private worship of the Deity, are represented as the sole virtue (Smith, 1759:132). It is only then that we will uphold virtues most suitable to our station and in which we chiefly excel without being naturally disposed to over-rate the excellence of our own character (Smith, 1759:132-133). By our appeal to the higher tribunal to that of the all-seeing judge of the world, we will find hope and encouragement from the world to come. When we take leave from Massillon's discourse, it is only then that we will acquire a great taste for and turn to the devout and contemplative virtues and consecrate our behaviour and the preferences we make, towards the world to come, where exact justice will be done to every person, where every person will have ranked with those who, in the moral and intellectual qualities, are really equals. A world in which we all enjoy the necessities, conveniences and entertainment of life. A world characterized by opulence.

6.8 FINAL CAUSES

In Chapter 3, I have endeavoured to examine the evolution of *exchange ethics* over the four ages of mankind as a prelude to Adam Smith's *classical exchange model*, better known among modern economist as the "Neo-classical Growth theory." This has been followed up by an examination of the *exchange ethics* as implied in Adam Smith's *classical exchange model* and then more in particular those ethical behaviour that are implied in Adam Smith's account of why some societies have progressed economically, while other less. Following on to that, I have dealt with Adam Smith's account of what the proper tone of temper and tenor of conduct of a person and society that desire greater wealth [prosperity] ought to be and secondly, by what power or faculty in the mind is it that a person prefers one tenor of conduct to another. In Sections 6.1 to 6.4, I have dealt with those systems that deduce right conduct [principle of approbation] from either self-love, reason and sentiment. In the examination I have reflected on Adam Smith's observation that reason may justly be considered in some sense, the basis on which a person decides on a proper tone of temper and judge between right and wrong. However, according to Adam Smith's account, the power of sympathy is the faculty on which a person decides between right and wrong and the consequential action that follows. It is not self-love; nor sentiment, but to a partial degree, reason through deduction and experience may also be the source and principle of approbation and disapprobation. In the said Section 6.4 and 6.5, I have accordingly reflected on the concept of sympathy as a sense of propriety and approbation. More in particular, the philosophical construct

of the impartial spectator to illustrate the nature and source of human conscience. Section 6.6 dealt with a reflection of Adam Smith's account of the influence and authority of conscience.

In very broad terms, what I have endeavoured to reflect on, is those *exchange ethics* or ethical behaviour that are according to Adam Smith's *classical exchange model* rather growth inducing than otherwise; the tenor of conduct of prudence, beneficence, justice and self-command as virtues of habit that are considered excellent, praise-worthy and rather growth inducing than otherwise; the basis or faculty on which a person decide right behaviour and action, being it motivated by self-love, reason, sentiment or habitual sympathy, the nature and source of our inherent disposition or conscience and finally the authority and influence of our conscience in deciding on a particular behaviour and the preferences we make accordingly. The question now before us, is rather important and at least in my view, goes to the core of Adam Smith's *classical exchange model*. The question is: For what purpose? or what is the end to be achieved? By following our duty and do what is good and desirable, what is the expected outcome? Is there order, design and purpose in all of this? Or differently said – what is the final outcome of all the multitude of decisions humans make? What is the proper reward or recompense for being virtuous? Will those that obey the general rules of conduct, be more successful than others?

Let me say right from the outset, that a proper response to these questions, taking into consideration the entire corpus of Adam Smith's work, would justify an entire research field or a comprehensive and exhaustive thesis that falls well outside the limited scope and aim in this thesis. However, I deem it necessary for the purpose of finding the directive principles as implied in Adam Smith's *classical exchange model*, on which I may construct a response to the hypothesis of this thesis, to broadly reflect on the question of final causes – the purpose of this last Section of this chapter.

A proper response to the question of final causes as implied in Adam Smith's *classical exchange model*, is indeed multidimensional and would consist of many layers. Admittedly, I therefore elect, in due regard to the limited aim of this thesis, to reflect on a few of these dimensions. Notably those dimensions that may offer us some greater insight as to the expected outcome should the *exchange ethics*, the *tenor of conduct* and *the right power of mind* ["conscience"] be uphold and individual economic behaviour and concurred choices that we continuously make, be reflective thereof. For this reason, I reflect on Adam Smith's account of the reward most proper for encouraging industry, prudence and self-command. Secondly, what is the end of avarice and ambition of the pursuit of wealth, of power and pre-eminence. What are the final causes of universal benevolence whether there are clear-cut outlines of great purposeful laws fitting an overarching and meaningful whole and finally is there a concealed dynamic force beneath the surface?

6.8.1 REWARD MOST PROPER FOR ENCOURAGING INDUSTRY, PRUDENCE AND SELF-COMMAND

Right at the outset of this chapter, I have, on highlighting the *exchange ethics* as implied in Adam Smith's *classical exchange model*, re-iterated Adam Smith's conclusion that the *frugal person* [and I have added the *diligent person* as well] is the hero of Adam Smith's *classical exchange model*. The *frugal person* is the one who possess the qualities of mind and tenor of conduct of prudence, thriftiness, industriousness, righteousness, circumspection and self-command. This person is the wise and virtuous that Adam Smith uphold as the hero and the instigator of wealth, prosperity and opulence. It is therefore fitting to start this section with a brief analysis of the rewards most proper for encouraging industry, prudence and circumspection.

Adam Smith's (1759:166) answer to this question is quite simple and forthright. The reward for encouraging industry, prudence and circumspection and by acting according to the dictates thereof is:

Success in Every Sort of Business

According to Adam Smith (1759:166), wealth and external honours are their proper recompense. Magnanimity, generosity and justice command also a high degree of admiration and for the reason we desire to see them also crowned with wealth, power and honours of every kind, which are the natural consequences of prudence, industry and circumspection. In Adam Smith's (1759:166) ethical and economic thinking, he equates virtuousness, inter alia to the promotion of the noble ideals of truth, justice and humanity – being the honourable overarching nature of a successful business which Adam Smith (1759:167) upholds as the proper recompense of being industrious, prudent, just and having proper command over one's behaviour. Adam Smith put it this way: "Humanity does not desire to be great, but to be beloved. It is not in being rich that truth and justice would rejoice, but in being trusted and believed, recompenses which those virtues must almost always acquire."

Adam Smith (1759:166) then asked the question: "What reward is most proper for promoting the practice of truth, justice and humanity?" Adam Smith's (1759:166) answer is: "The confidence, the esteem, love of those we live with." Accordingly, I deduct from the observation by Adam Smith, that the *exchange ethics* and the tenor of conduct as set out in this Chapter 5, would if pursued, most often then otherwise, result in a person and ultimately society at large, to be beloved, trusted and believed – the prerequisites of being successful in every sort of business. I therefore concluded, based on Adam Smith's (1759:167) account, that the practice of truth, justice and humanity is a certain and almost infallible method of acquiring, what those virtues chiefly aim at, the confidence (trust) and love (beloved) of those we live with. It is therefore not on being rich nor the desire to be great that these virtues would rejoice, but to be beloved, trusted and believed – which would, considering the general rules by which external prosperity and adversity are

commonly distributed, recompense those that are encouraging industry, prudence and circumspection, with success in every sort of business (Smith, 1759:166).

“We shall therefore find”, wrote Adam Smith (1759:166)

that notwithstanding the disorder in which all things appear to be in this world, yet even here every virtue naturally meets with its proper reward, with the recompense which is most fit to encourage and promote it and this too so surely, that it requires a *very extraordinary concurrence of circumstances* entirely to disappoint it.

By implication, the *frugal person* will at all times, except in very extraordinary concurrence of circumstances, be rewarded with success in every sort of business and crowned with wealth, power and honours of every kind, the natural consequences of prudence, industry and circumspection. (Smith, 1759:167)

6.8.2 END OF AVARICE AND AMBITION, OF THE PURSUIT OF WEALTH, OF POWER AND PRE-EMINENCE

Do we always behave in a virtuous and therefore benign manner and therefore deserving of love and trust as a fair reward and outcome? The simple answer is no. To the contrary, it is because of a deception of belief, that human desire to be the object of attention and approbation, rather than to be beloved and trusted. It is because of this deception, that humans glories in their riches, because they feel that they naturally draw on them the attention of the world (Smith, 1759:50-51). It is by this deception that humans pursue wealth, power and pre-eminence and toil and bustle with ambition and avarice. Adam Smith (1759:50) therefore poses the question: “For to what purpose is all the toil and bustle of this world? What is the end of avarice and ambition, of the pursuit of wealth, of power and pre-eminence.”

Let us examine this question. A central tenet of Adam Smith’s *classical exchange model* is that self-interest motive, in its most rudimentary nature is the driver that help human beings to survive, preserve themselves and to procreate. This sentiment of nature is innate to human life which Adam Smith (1759:50) calls “bettering our conditions of living.” It is this sacred thirst or appetite within, that humans are endowed with, that drives human beings to find the means to survive and prosper. It is by this innate desire to better conditions of living, that we toil and bustle in the world. It is by this innate predisposition, that the meanest labourer work to gain the means to afford him food and clothing, the comfort of a house and of a family. (Smith, 1759:50). It is by this sacred thirst that humans search for ways in which to produce a surplus of food above biological subsistence so that, from the individual’s point of view, their children survive beyond infancy and live long enough to breed (Kennedy, 2008:8).

Adam Smith therefore observed that the first task of a human person and that of society is to foster progress towards these necessities ["wealth"], particularly for the poorest majority, that are required to better their conditions of living. That led Adam Smith to ask the question: what wealth consists of. Is it money, or their access to the annual production of the necessities, conveniences and amusement of life? (Kennedy, 2008:5). Observing that it was the latter [money or gold are a means, not an end], Adam Smith then concluded that progress towards opulence, ought to be human's priority to preserve themselves, to procreate and to prosper. Adam Smith (1776:47) accordingly, reminiscent of Richard Cantillon (Kennedy, 2008:120), considered that everyman is therefore rich or poor according to the degree to which he can afford to enjoy the necessities, conveniences and amusement of human life.

For this reason, the primary aim of Adam Smith's *classical exchange model* is to dismantle mercantile laws and regulation that inhibit the production and distribution of an ever-greater abundance of necessities, conveniences and amusement and to foster habits of behaviour that contribute to the growth of wealth (Kennedy, 2008:148). Overall, Adam Smith's *classical exchange model* aim to speed-up the great wheel of circulation by increasing the frugal investment of surplus output and employing productive labour and increased annual exchangeable output (Kennedy, 2008:9). According to Adam Smith, economic and social growth that set increasing proportions of the population to work and raised total output of the necessities, conveniences and amusements of life are the only solution for poverty and accordingly beneficial to all of society. The reason being, that the subsistence conditions of the labouring poor was not going to change by benevolent redistribution (Kennedy, 2008:6). For these reasons, Adam Smith's *classical exchange model* set out the market mechanism to harnesses people's creative powers to encourage investment, to innovate, to expand and take risks. According to Adam Smith these are the drivers of society to the wonderful multiplication of wealth and riches (Heilbroner, 1999:63).

As to the question: What necessities, conveniences and amusement of life consist of, Adam Smith has not been so forthcoming as to define them out rightly, other than to be explicit that the progress towards "opulence" aim at, maximum happiness and maximum natural liberty. By deduction, the definition of necessities, conveniences and amusement of life would encompass not only goods or services parse, but whatsoever would achieve the maximum happiness and the maximum natural liberty. With regard to natural liberty, Adam Smith alluded to the Stoic concept that natural harmony appears especially in the obvious and simple system of natural liberty. By implication all efforts that promote natural liberty would consequently lead to greater natural harmony. For this reason, Adam Smith judge all policies, duties and behaviour and their performance and influences, against the standard of natural liberty which was applicable in law as a standard for those principles which ought to run through and be the foundations of the laws, policies and behaviour of all nations and not just a particular mode of subsistence (Kennedy,

2008:251). Natural liberty, according to Adam Smith, is therefore about fundamental human rights: to be protected, to have the right of trafficking with those who are willing to deal with him (Kennedy, 2008:250), where a person may change his trade and having the mobility to do so (Smith, 1776:63) and having equality of advantages of different employment (Smith, 1776:112) – indeed a condition in which all system of preference or of restraint have been completely taken away (Kennedy, 2008:169-170). Clearly, these conditions do not apply in the real world. But, by implication it does not imply that our behaviour and concurred preferences should not be judged to the extent that natural liberty and by implication natural harmony is restrained by them.

For these reasons, natural liberty as implied in the Stoic doctrine and more particularly of those writers such as Epictetus, Marcus Aurelius and Cicero who were all Roman and that Adam Smith chiefly draws from (Kennedy, 2008:7), are fundamental to judge what necessities, conveniences and amusement ought to consist of.

According to the Stoic doctrine and many other observations by Adam Smith, which tend to confirm and inculcate the same doctrine of natural liberty, natural liberty closely connects men's moral duties with their legal obligations as citizens (Kennedy, 2008:7). By implication, the procurement and distribution of opulence implies therefore the basic need for human preservation and procreation in the first instance. Secondly it refers to meeting moral duties and legal obligations as a citizen, and thirdly to being protected in person and estate and upholding people's fundamental human rights of association, mobility and equality of opportunities.

With respect to happiness as a basis on which we have to deduce propriety of convenience necessities and amusement of life, Adam Smith (1759:166) is very clear that the happiness of humankind, and of all other rational creatures, seems to have been the original purpose intended by the Author of Nature, when God brought them into existence. In fact, according to Adam Smith (Smith, 1759:237), the administration of the great system of the universe, however, the care of the universal happiness of all rational and sensible beings, is the business of God.... [while] the ease of a person's own happiness, of that of the person's family, friends and country is the duty of each person and the person can never excuse themselves from this duty (Smith, 1759:237).

But what does happiness consist of? Adam Smith (1759:295) cites Epicurus, asserting that bodily pleasure is the sole ultimate object of natural desire and pain the sole ultimate object of aversion. But the pleasure of the mind though ultimately derived from those of the body, are vastly greater than their originals (Smith, 1759:295). Since our happiness and misery, depend chiefly on the mind, we enjoy happiness when our reason and judgement maintain a superiority (Smith, 1759:296). In ease of body, therefore, wrote Adam Smith (1759:296) and in security or tranquillity of mind, consisted, according to Epicurus, the most perfect state of human nature, the most complete happiness which a person is capable of enjoying. Adam Smith (1759:149) therefore observed that happiness consists in tranquillity and enjoyment. Accordingly, Adam Smith

(1759:149) wrote, without tranquillity there can be no enjoyment and where there is perfect tranquillity there is scarce anything which is not capable of amusing. With that Adam Smith (1759:148) also implies the preservation of equanimity. Whatever therefore tended to promote human happiness, in particularly ease of body and the security and tranquillity of mind are therefore right and laudable and virtuous and the contrary, wrong, blameable and vicious. Adam Smith (1759:302) accordingly cites Hutcheson's assertion that "whether what, upon the whole, tended most to the happiness of mankind, was not also morally good, but never once made a question." Those actions therefore, which aimed at the happiness of a great community, wrote Adam Smith (1759:303) as they demonstrated a more enlarged benevolence than those which aimed only at that of a smaller system, so were they, likewise, proportionally the more virtuous. Accordingly, the most virtuous of all affections and preferences therefore, was that which embraced as its object the happiness of all intelligent beings. I therefore conclude that the propriety of opulence, or as Adam Smith defined it as necessities, conveniences and amusement of life, may be deduced from the philosophical ideal of natural liberty and the fundamental human desire of happiness.

We would therefore find the correctness and appropriateness of the overarching aim of the creation and the distribution of opulence as implied in Adam Smith's *classical exchange model*, in the following human nature. Firstly, the innate disposition to preserve, protect and procreate; the responsibility and obligations and moral duties as a citizen; the right of association, mobility and equality of opportunities and the innate disposition to be free and enjoy ease of body and desire for security and tranquillity of mind.

These would bring about the most perfect state of human nature, the most complete happiness which a human person is capable of enjoying. But, there is a darker side to human ambition for the pursuit of wealth, of power and pre-eminence which is the cause of much suffering and destruction. Because of people's innate propensity to preserve, protect and procreate, what Adam Smith (1759:295) called bettering conditions of living, humans have a natural tendency to procure *pleasure* and *happiness* and therefore nature render power and riches as most desirable. The contrary tendency to produce pain, made poverty and insignificance, the object of aversion. For this reason, honour, reputation, greatness and riches were valued, because humans are deceived by the esteem and love of those they live with, as being the greatest consequence both to procure pleasure and to defend them from pain (Smith, 1759:295). Humans, therefore desire to be great and rich as they believe, wrongfully though, that they will be loved and trusted.

Because of this deception, humans take an anxious or passionate concern in both their success and their disappointment of their own most faithful endeavours. With the consequence, that humans cannot completely subdue all their private, partial and selfish passions and cannot emerge from the abyss of misery and disorder into which their anxiety for the gratification of those

private, partial and selfish passions had involved them (Smith, 1759:290). Ultimately, humans are rewarded with miserableness and cannot enjoy the free air of liberty, independency, security, tranquillity of mind and happiness. (Smith, 1759:290). This person wrote Adam Smith (1759:290), “is like the man who was put an inch below the surface of the water and can no more breath than he who was one hundred yards below it.”

It is therefore chiefly from this regard to the sentiments of humankind, that we pursue riches and avoid poverty. It is chiefly on this sentiment and deception, that humans spend a great part of their “*oeconomy*” (sic) on conveniences, which may be regarded as superfluities and vanity. It is by this deception that humans have an ambition for riches and power, to be observed, to be attended to, to be taken notice of with sympathy, complacency and approbation – all the advantages which we can propose to derive from it (Smith, 1759:50). If we examined a person’s “*oeconomy*” with rigour, wrote Adam Smith (1759:50), “we should find that man spends a great part of them upon conveniences, which may be regarded as superfluities and that, upon extraordinary occasions, he can give something even to vanity and distinction.” Likewise, the rich, the property owners, the elite, observe Adam Smith (1759:184), pursue wealth, power and pre-eminence with great ambition and avarice and their natural selfishness and rapacity served their own convenience and the gratification of their own vain and insatiable desires. The rich fonder of their wealth – for all the advantages it procures them (Smith, 1759:51). At the thought of this, their hearts seem to swell and dilate itself within them and they are fonder of their wealth, on this account (Smith, 1759:51). It is therefore vanity, wrote Adam Smith (1759:50), not the ease or the pleasure, which interest us. As vanity is always founded on the belief of our being the object of attention and approbation. The rich person therefore glares in the person’s riches because the person feels that the person naturally draws on the person the attention of the world and that humankind are supposed to go along with the person in all those agreeable emotions with which the advantages of the person’s situation so readily inspire the person (Smith, 1759:50-51).

By this deception, humans toil and bustle in the world with avarice and ambition, in pursuit of wealth, power and pre-eminence (Smith, 1759:50). But the person of virtues, of self-command, that succeed in moderate the person’s passions and desires acquire the necessities, conveniences and amusement of life for the greater public good – that is far more superior and not based on deception. It is the wise and the virtuous that according to the great system of the universe will receive due compensation of tranquillity, innocence and peace of mind. It is this person that is bestowed with greatness, who is beloved, trusted and believed - the proper recompense which the wise and virtuous almost always acquire (Smith, 1759:167).

6.8.3 THE FINAL CAUSE OF UNIVERSAL BENEVOLENCE

In the previous Section, I examined Adam Smith’s observation and deduction that human beings have an innate sacred thirst or appetite that drive humans to better their conditions of living and

to find the means to survive and prosper. It is by this innate desire of bettering one's conditions of living that humans toil and bustle in this world. It is by this innate disposition that the meanest labourers work to gain the means to afford them food and clothing, the comfort of a house and of a family. Humans, observed Adam Smith, are bestowed with the desire to acquire what Adam Smith called the necessities, conveniences and amusement in life – all intended for people's happiness and ease of life.

Adam Smith (1759:237) further observed that individuals have been allotted the task, though within the weakness of their powers and within the narrowness of their comprehension, to take care of their happiness of that of their families, their friends and their country. In fact, Adam Smith (1759:237) wrote that, "man can never offer any excuse for his neglecting the more humble department" – working for a person's happiness and those that each person is affectionally related too.

But, will human beings find solid happiness in acquiring these necessities, conveniences and amusements in life? The answer is yes – provided that a person, as I have reflected before, does not live by deception but rather by conviction. Differently said, if a person's behaviour and preferences are deduced from a person's deception that a person's own worth and purpose are founded on the superfluities and vanities of a person's desires, a person will pursue wealth, power and pre-eminence with great ambition and avarice and their natural selfishness and rapacity will serve only the person's own conveniences and the gratification of the person's own vain and insatiable desires (Smith, 1759:184) – for all the advantages it procures. Yet the person will not find solid happiness (Smith, 1759:51).

Where and when will humans find solid happiness? According to Adam Smith's account of universal benevolence, humans will find solid happiness when their behaviour and preferences are not founded on human deception, but rather on human conviction that:

- all the inhabitants of the universe, the meanest and the greatest, are under the immediate care and protection of that great benevolent and all – wise Being.
- who directs all the, movements of nature.
- who is determined, by his own intolerable perfections to maintain it, at all times, the *greatest possible quantity of happiness* (Smith, 1759:235) [own emphasis].

You see, those among us who find their solace and happiness in their conveniences and gratifications of their own vain and insatiable desires and "fonder in their wealth for all the advantages it procures him" (Smith, 1759:51) are driven by their selfishness and rapacity. They are driven by the very suspicion of a fatherless world in which all the unknown regions of infinite and incomprehensible space may be filled with nothing but endless misery and wretchedness

(Smith, 1759:235). A world which is outwardly unhappy, afflicted or distress and a world filled with a feeling of unhappiness or distress – indeed a miserable life. Therefore, the vain and insatiable desire for immediate gratification and approbation and their drive to satisfy their selfish rapacity. Accordingly, Adam Smith (1759:235) asserts that “all the splendour of the highest prosperity can never enlighten the gloom with which so dreadful an idea must necessarily overshadow the imagination.”

But, the wise and virtuous person that is thoroughly convinced of and experience the universal benevolence of the great and benevolent and all-wise God, live by the conviction, that God, by his benevolence and wisdom, have from all eternity, contrived and conducted the immense machine of the universe, so at all times to produce the greatest possible quantity of happiness (Smith, 1759:236). By this conviction, the wise and virtuous are convince that the “administration of the great system of the universe and the care of the universal happiness of all rational and sensible beings, is the business of God” (Smith, 1759:237). It is by this conviction, that the behaviour and preferences of the wise and virtuous are not driven by selfishness and rapacity, but rather acquire a different nature and purpose that are more sacred, sublime, sensible, intelligent and responsive.

Let us now examine Adam Smith’s account of the final causes of universal benevolence.

Firstly, universal benevolence as a noble and generous nature of creation, is a real source of solid happiness as the wise and virtuous experience the immediate care and protection of the “great, benevolent and all-wise Being” and that circumstances pertaining to themselves and nature are directed and maintained [though it may be at times immediate and at other times slow and gradual] by the unalterable perfections of the all-wise Being, to bring forth, at all times, the greatest possible quality of happiness. Secondly, the wise and virtuous person’s joy, “which springs from the habitual and thorough convictions” (Smith, 1759:235) of the universal benevolence, will never dry up in times of sorrow caused by afflicting adversity. Thirdly, the wise and virtuous person is at all times willing that the person’s own private interest should be sacrificed to the public interest of the person’s own particular order or society. The wise and virtuous person is at all times willing, too,” wrote Adam Smith (1759:235)

that the interest of his order or society should be sacrificed to the greater interest of the state or sovereignty, of which it is only a subordinate part. He is therefore, equally willing that al the subordinate interests should be sacrificed to the greater interest of the universe, to the interest of that great society of all sensible and intelligent beings, of which God himself is the immediate administrator and director.

Fourthly, by the habitual and thorough conviction of universal benevolence, the wise and virtuous person is convinced that no partial evil which is not necessary for the universal good (Smith, 1759:235) can be admitted into the universal system and therefore

consider all the misfortunes which may befall himself, his friends, his society or his country, as necessary for the prosperity of the universe and therefore as what he ought, not only to submit to with resignation, but as what he himself, if he had known all the connexions and dependencies of things, ought sincerely and devoutly to have wished for (Smith, 1759:236).

Fifthly, the wise and virtuous person, having trust in the universal benevolence of the all-benevolent and wise God, continue on with life with more gaiety and alacrity (Smith, 1759:236). With cheerful readiness, the wise and virtuous person does not experience ordinary duty as dull and boring but is rather always ready to fulfil its ordinary duty with the greatest “noblest exertion which it is possible for man to make” (Smith, 1759:236). Knowing, by habit and from experience, that the task on hand and the path being walked are necessary for the safety and success of the person’s order and society and that of the universe. As Adam Smith (1759:236) puts it,

They cheerfully sacrifice their own little systems to the prosperity of a greater system. They take an affectionate leave of their comrades, [Adam Smith used the allegory of the general and his good soldiers] to whom they wish all happiness and success and march out, not only with submissive obedience, but often with shouts of the most joyful exultation.

Sixthly, the wise and virtuous person, within the context of universal benevolence consider great public and private disasters that the person self, the person’s friends and compatriots, experience, are indeed necessary “for the good of the whole” (Smith, 1759:236) otherwise, they would not have had to endure it. Being convinced of the benevolence of the universe, the wise and virtuous, the person’s friends and compatriots would be empowered and capable to endeavour to embrace such calamities, whether private or otherwise, with alacrity and joy. Seventhly, the real effect of our universal benevolence, is the effect on the sympathy which we feel with the misery and resentment of those other innocent and sensible beings, whose happiness is disturbed by the malice of a mischievous though sensible, being (Smith, 1759:235). The ill will which, in this case, one experience, is the effect of sympathy. A sympathy that is far greater than the feeling of pity and compassion, but rather a habitual sympathy whereby the wise and virtuous person feel and experience, at the account of the person observed, the hurt and misery. It is through this habitual sympathy that one can form the idea of and feel with the misery and resentment of those other innocent and sensible being, whose happiness is disturbed. Indeed, by a person’s conviction of the universal benevolence, our goodwill is not circumscribed by any boundary. By a person’s

conviction of benevolence, one embraces the immensity of the universe and find that we cannot form the idea of any innocent and sensible being, whose happiness we should not desire, or to whose misery, when distinctly brought home to the imagination, we should not have some degree of aversion (Smith, 1759:235). It is indeed by one's conviction and habitual experience that one may extend one's good office to any wider society than that of one's own country, even though our effectual good office may be limited in scope (Smith, 1759:235). Finally, by one's conviction and experience of universal benevolence one acquires the habitual sympathy, that Adam Smith thought of, like the Stoics philosophers from which the social bond arises. It is on this habitual sympathy that Adam Smith's philosophical construct of *The Impartial Spectator*, shall help and guide our behaviour and preferences to a degree of moderation and acceptance that advance the social bond and cohesiveness, in society.

By implication, the final cause of universal benevolence is to direct and shape men's behaviour and preferences to deliberately create [rather than arising naturally or spontaneously] the immense machine of the universe so as to at all times to produce the greatest possible quantity of happiness (Smith, 1759:236). The person who believe, wrote Adam Smith (1759:236) "to be principally occupied in this sublime contemplation, seldom fails to be the object of our highest veneration... often with a sort of religious respect much superior to that with which we look, upon the most active and useful servant of the common wealth." To accentuate the relevance and importance thereof, Adam Smith (1759:236) cites the "Meditation of Marcus Antoninus", which "turn principally upon this subject, have contributed more, perhaps, to the general admiration of his character, than all the different transactions of his just, merciful and beneficent reign". Adam Smith (1759:237) asserts, while a person, may employ

himself in philosophical speculation and contemplated the prosperity of the universe, man ought not to neglect the smallest active duty to take care of, within man's weakness of his powers and to the narrowness of his comprehension, his happiness, of that of his family, his friends, his country.

6.8.4 CLEAR-CUT OUTLINES

In the previous Section, it has been concluded that humans have been given the task, within the weakness of their powers and to the narrowness of their comprehension to take care of their happiness, of that of their families, their friends or their country. It has also observed that humans have been naturally endowed with a desire of the welfare and preservation of society (Smith, 1759:77).

In attainment of those ends and other that may all be regarded, nature has always not only endowed humankind with an appetite for the end which nature proposes, but likewise with an appetite for the means by which alone this end can be brought about, for their own sakes and

independent of their tendency to produce it (Smith, 1759:77). Humankind are endowed with a love of life and a dread of desolation; with a desire of the continuance and perpetuity of the species and with an aversion to the thought of its entire extinction.

Accordingly, Adam Smith (1759:78) observed that people's original and immediate instincts, like hunger, thirst, the passion which unites the two sexes, the love of pleasure and the dread of pain, prompt humans to apply those means for their own sakes and without any consideration of their tendency to those beneficent ends which the great director of nature intended to produce them. By implication, though humans are in this manner endowed with a very strong desire of those ends, humans have not been entrusted, due to the slow and uncertain determination of their reason, to find out the proper means by which alone this end can be brought about (Smith, 1759:77).

The question therefore arises whether there are clear-cut outlines of great purposeful laws fitting an overarching and meaningful whole? Or differently put, will an unintended system of order arise from our individual behaviour and concurrent preferences, that seem to be isolated and haphazard interactions that are fundamentally motivated by self-love?

Adam Smith, like many other philosophers of his time, like Hume, Quesnay, Voltaire, Benjamin Franklin, Locke and Turgot, were all one way or another searching for the grand architecture beneath the hurly-burly of daily life. Adam Smith's entire corpus of work therefore ranged all the way from people's sublime impulses towards order and harmony to humans somewhat less orderly and harmonious activities in the grimmer business of gauging out a living for themselves (Heilbroner, 1999:43). Throughout the entire corpus of work, Adam Smith's opinions and observations echoed the Stoic doctrine that view nature as a cosmic harmony. The correspondence is most striking, wrote Raphael and Macfie (1982:7) in the chapter on universal benevolence as contained in *The Theory of Moral Sentiments* (Smith, 1759:235), where Marcus Aurelius is recalled by name, and in the phrase: the great conductor whose benevolence and wisdom have contrived and conducted the immense machine of the universe. It is therefore befitting to conclude this segment on final causes, with a brief reflection on those salient points in Adam Smith's *classical exchange model* that are indicative of the coherent and orderly system that emerge from the diverse range of actions and motivations that overtime lead to an unintended system of order. By inference, one may gain a greater appreciation of the concealed dynamic or *the invisible hand* that through a slow and gradual process, cause a universal system of ethics to be enshrined in the law of nature. Firstly, in Adam Smith's *Laws of the market* individual interest in an environment of similarly motivated individuals results in competition, which result in turn, in the provision of those conveniences, amenities and amusement that society wants, in the quantities that society desires and at the prices society is prepared to pay (Heilbroner, 1999:55).

It comes about in the first place because of the self-interest motivated acts. It is from human desire of bettering their condition of living that our regard for own private happiness and interest cause certain behaviour and preferences. On this behavioural basis, Adam Smith constructed a theory of how markets work: how goods, once produced, are sold to the highest bidders and how quantities of the goods that are produced are governed by their costs and selling prices. (Raphael & Macfie, 1982: xii). It is also on this basis that Adam Smith constructed the theory of value and the central theory of the determination of all prices. It is this proposition that the owner of resources [his own labour, a sum of capital, or whatever] will seek to employ it where it all yield the most and as a result that a resource will yield equal rates of return in all uses [unequal rates would make a reallocation profitable] (Cannan, 1976: xii). The explanation may be extended to how a person chooses occupations, how capitalist choose investment, how farmers choose crops (Cannan, 1976: xii).

It is therefore by the way of the laws of markets that values and prices are determined that in turn direct the demand and supply of the necessities, conveniences and amusement of life to meet the natural demands of humankind – a subject which has since acquired the title of consumption in economic treatises (Cannan, 1976: xxvii). It also by this law, that, according to Adam Smith, public opulence arises from the division of labour that occasions a multiplication of products (Cannan, 1976: xxvii). There is innumerable other consideration implied tacitly or otherwise in Adam Smith's *Laws of the Market*, that falls well outside the scope of this thesis, yet serve to confirm that the market mechanism reduces a rather complex world of interconnecting networks of unplanned, undirected and unintended individual decisions to a rationality that triumph over arbitrariness and chaos (Heilbroner, 1999:71).

Heilbroner (1999:71) put it this way:

The complex irrational world is thus reduced to a kind of rational scheme where human particles are magnetized in a simple polarity towards profit and away from loss. The great system works, not because man directs it, but because self-interest and competition line up the filings in the proper way; the most that a man can do is to help this natural social magnetism along, to remove whatever barriers stand before the free working out of this social physics and to increase his misguided efforts to escape from its thralldom.

Secondly, the drive of self-interest motivated behaviour by market forces that consider only utility as the determinant of judgement, which modern economist has labelled "utility-maximizing behaviour" (Cannan, 1976: xi) is only half the picture. Individual self-interest behaviour and concurred preferences are also, to various degrees, determined by a person's moral judgement which is not determined by considerations of utility, but rather dependent on a more complex

judgement of merit and demerit, justice and injustice, gratitude or resentment. This more complex judgement of the degree of conscience determines humans – the nature and authority of conscience, that I have elaborated extensively in previous sections of this chapter and therefore I see no reason to reaffirm same. Suffice to acknowledge, that Adam Smith’s spectator theory of moral judgement and the originality of Adam Smith’s “*impartial spectator*,” that explain the source and nature of conscience, i.e. of human capacity to judge their own actions and especially their sense of duty, work, as Jim Otteson (2002:101) explains, like a market place of morality. It is through continuous impartial reflection of the behaviour and preferences and the concurrent affect thereof, that a person through a looking glass observe other and by habitual sympathy of what has befallen others moderate his unlimited indulgence and recognize that what has befallen his brother could also befall him. It is through *The Impartial Spectator* the voice within, that the great school of self-command commence its work. It is intercourse with others wrote Adam Smith, that not only triggers the desire for mutual sympathy but also the process of disciplining oneself in accordance with others judgement of one (Otteson, 2002:286). Reflection is here a live metaphor for the thought process mirrors the judgement of a hypothetical observer. We impose ourselves the spectators of our own behaviour and endeavour to imagine what effect it would in this light, produce on us (Raphael & Macfie, 1982:16). This is the only looking glass by which we can, in some measure, with the eyes of other people, scrutinize the propriety of our own conduct (Smith, 1759:112). The looking glass requires imagination, as Adam Smith’s impartial spectator, is not the actual person without but an imagined person within. When I judge my own conduct, I do not simply observe what an actual spectator has to say; I imagine what I should feel if I myself were a spectator of the proposes action. (Raphael & Macfie, 1982:16).

This symbiotic and sympathetic relationship between persons give rise, in accordance with the degree of conscience to what Jim Otteson has called the marketplace of morality, it is through this marketplace that people in society deduce what is right and what is wrong, what is virtuous and what is vice, what is growth inducing and conducive to pleasure and ease of life and what cause pain and ought to be averted. These considerations or moral judgements as applied in the marketplace of morality, as I have already alerted, are not deduced from the utility of the means or object. Adam Smith cordially insisted that consideration of utility is the last, not the first determinants of moral judgement (Raphael & Macfie, 1982:13). “Our basic judgement of right or wrong is concerned with,” wrote Raphael and Macfie (1982:13) “the agents motive not with the effect of his action.” In this regard

the term motive may also include the moral conscience, or the sympathetic consideration of the person involved because, our complex judgements of merit and demerit, justice and mystic, depend on the reactions of gratitude and resentment to

benefit and harm respectively not simply on the benefit and harm themselves (Raphael & Macfie, 1982:13).

“Even though the pleasant or painful effects of action or an object of consideration being the principle consideration of our utility-maximizing behaviour are relevant to the moral judgement passed upon it, they are primarily the effect of this particular action” wrote Raphael and Macfie (1982:13) “upon particular individuals, not the more remote effects upon society at large. Consideration of general social utility are therefore an afterthought, not a foundation” (Raphael & Macfie, 1982:13). For all practical purposes, this market place of morality, super impose, over the market place of utility a sense of elegance or morality that is not determined by either price or value, but by conscience as a feeling or conviction antecedent to our general behaviour and preferences which may or may not be influenced by the consideration of utility. Unlike utility and the associated value and price thereof, which are accurate in the highest degree, admitting of no or few exceptions or modifications and flow from a common set of principles as implied in the law of the market and the theory of value, the determinants of moral judgement are loose and inaccurate and admit of many exceptions and modifications. The theory of value and law of the market are like the formal rules of grammar, while the rules of moral judgement are more about the elegance of composition and style. [adapted from Adam Smith’s (1759:175) allegory in *The Theory of Moral Sentiments*].

Let me illustrate this interplay between the market place of utility and the market place of morality.

Under free market conditions, price and value, shape and direct self-interest utility maximization behaviour. *Ceteris paribus*, the vacancy rate in jobs that are rewarded the highest, will be the lowest. Likewise, those with substantial lower rewards will experience substantial higher vacancies. But this does not apply to jobs that are deemed morally offensive, abusive and unhealthy nor to jobs that are deemed honourable, spiritual and ecclesiastical. You see, even though the salaries or wages of prostitutes may be very high and lucrative, many in society would, based on certain moral considerations antecedent to their preferences, rather pursue an ecclesiastical career even though the compensation is much lower. Likewise, the prudent person will even, at very low prices, conserve water to preserve nature because of certain moral and ethical considerations antecedent to the consumption of the commodity, so too the person of self-command, will be frugal with resources and invest in schemes with a fair and justifiable rate of return rather than in schemes with high rewards that are questionable. In this way, human society are held together not only by utility maximization behaviour, but also by minimum conditions that are moral and ethical and by the good pre-eminence of nature required for their continuance. It is through the market place of morality that society develop moral sentiments and not only constrain individual behaviour and concurrent preferences to a minimum standard of conduct, but also advance wise and virtuous behaviour and preferences. Accordingly, humans pursue the

behaviour that are in accordance with the greater scheme of nature recompensed and avoid, or avert the behaviour that are punished by resentment, disapprobation, lack of dignity and containment of liberty and rights, as this behaviour are [irrespective of its utility] deemed unjust, abusive and hurtful to society and the entire universe. The nett effect of the market place of morality and then more pertinently the imaginative philosophical construct of Adam Smith's *Impartial Spectator* is the moral formation in societies. By so doing, it not only set minimum conditions of behaviour but also unmasked vanity, selfishness and rapacity and reward prudence, beneficence, justice and self-command. By these virtues and moral sentiments, human behaviour and preferences are shaped and directed by principles so deep in human nature that all people feel them to some degree, without anybody, preachers included, having to tell them how to behave (Kennedy, 2008:51).

Since these principles therefore, wrote Adam Smith (1759:165), were plainly intended to be the governing principles of human nature (also by implication economic behaviour and preferences of individuals and ultimately society), the rules which they prescribe are to be regarded as the commands and laws of the Deity, promulgated by those vicegerents which God has set up within us. All general rules are commonly denominated laws. Therefore, the general rules which bodies observed in the communication of motion, are called laws of motion. But those general rules which our moral facilities observe in approving or condemning whatever sentiment or action, may much more justly be denominated such. They have much greater resemblance to what are properly called laws, these general rules which the sovereign lays down to direct the conduct of his subjects (Smith, 1759:166-167).

Adam Smith (1759:161-162) also asserted that with regard to those general rules of conduct is, what is properly called, a sense of duty, a principle of the greatest consequence in human life and the only principle by which the bulk of humans are capable of directing their action.

As such, man may never be without a rule to direct their conduct by, nor without a judge whose authority should enforce its observation. The Author of Nature had made man the immediate judge of mankind and has, in this respect as in many other, created him after his own image and appointed him his vicegerent upon earth to superintend the behaviour of his brethren.

And from this, Adam Smith explains how humans find harmony in their relationship [or at least anonymous neutrality] and how their antecedent sentiment of moral judgement direct each individual's behaviour and preferences to a general consequence of a moral and ethical life. Otteson accordingly summarizes Adam Smith's market model of morality in the following four steps (cited by Kennedy, 2008:40). Firstly, moral judgement, along with the rules by which we render them, develop without an overall antecedent plan, creating a general consensus of the

virtuous life - based on countless individual judgements made in countless particular situations. As infants grow into children they develop increasingly sophisticated principles of action and judgement to assess and judge an increasingly diverse range of actions and motivations. What seem to be isolated and haphazard interactions leads, as we grow older to habits of behaviour, to the eventual state of where they solidify into principles that guide our conscience. People's interest, experience and environments change slowly enough to allow longstanding associations and institutions to arise, giving a firm foundation to the rules, standard and protocols that both brought these associations into being and in turn are supported by the them.

By this market place of morality, humans therefore develop increasing sophisticated principles of actions or sentiments of judgement, that together with the judgement of utility which are based on price and value, decide rationally and not entirely haphazardly on a certain behavioural response and accordingly make a preference between opposing or contemplating utilities, objects or discourses. Though we may not fully comprehend at the time, the relevance and influence of the judgement of action, the rules by which we render them are not isolated and haphazard. But rather, as the ancient Stoics observed and as Adam Smith understood it, a manifestation or an expression of the all ruling providence of a wise, powerful and good God. By his providence and pre-eminence, the world is governed in a manner whereby every single event ought to be regarded, as making a necessary part of the plan of the universe and as such tending to promote the general order and happiness of the whole. By his providence and pre-eminence, the vices and follies of humankind therefore, make a necessary part of this plan. With their wisdom and their virtue and by that eternal art which reduces good from evil, humans equally attend to the prosperity and perfection of the great system of nature (Kennedy, 1982:8).

As I have already stated, there are numerable other considerations in Adam Smith's exchange model which serve to confirm the same conclusion. I therefore wish to conclude this section by eluding to one final consideration in Adam Smith's *classical exchange model* that serve to confirm that there are indeed clear-cut outlines of great purposeful laws fitting an overarching and meaningful whole. The aspect now under consideration is how the general rules by which prosperity and adversity are commonly distributed, appear to be perfectly suited to reward the virtue for encouraging industry (thriftiness), prudence, beneficence, justice and circumspection or self-command. The relevance thereof is to be found in Adam Smith's continuous reference to the virtue of frugality and that of prudence. Adam Smith continually gave praise in *The Wealth of Nations* to the virtues of industry and frugality and in *The Theory of Moral Sentiments*, Adam Smith gave a detailed exposé of *The Impartial Spectator* that is directed at the proper exertion of self-command, which enables the prudent person to attach almost as much importance to future enjoyment as to the present (Kennedy, 1982:9). These virtues, according to Adam Smith (1759:166), are not only fundamental to his *Classical Exchange Model*, but if we consider the

general rules by which external prosperity and adversity are commonly distributed in life, we shall find, that notwithstanding the disorder in which all things appear to be in this world, yet even here every virtue naturally meets with its proper reward, with the recompense which is most fit to encourage and promote it and this too so surely, that it requires a very extraordinary concurrence of circumstances entirely to disappoint it. These virtues, according to Adam Smith (1759:167) are by no means suited to some of our natural sentiments. Yet our natural love and admiration for those virtues are such, that we wish to bestow on them all sorts of honours and reward, even those which we must acknowledge to be the proper recompenses of other qualities, with which those virtues are not always accompanied. "Magnanimity, generosity and justice" wrote Adam Smith (1759:167)

command so high a degree of admiration, that we desire to see them crowned with wealth and power and honours of every kind, the natural consequences of prudence, industry and application; qualities with which these virtues are not inseparably connected.

Wealth and external honours are their proper recompense, a recompense according to Adam Smith (1759:166) "which they can seldom fail of acquiring." Likewise, the reward for promoting the practice of truth, justice and humanity, are confidence, the esteem and love of those we live with. Accordingly, Adam Smith (1759:166-167) observed that humanity does not desire to be great, but to be beloved. It is not in being rich that truth and justice would rejoice, but in being trusted and believed, recompenses which those virtues must almost always acquire. Adam Smith (1759:166) therefore concluded, that considering the general rules by which external prosperity are commonly distributed in life, the reward most proper for encouraging industry, prudence and self-command is: "Success in every sort of business" (Smith, 1759:166).

On the question if it is possible that in the whole of life these virtues should fail of attaining it? Adam Smith's (1759:166-167) response is equally insightful. He asserts that the virtues of prudence, industry and self-command are not inseparably connected [implying that the utility of virtue has a different meaning] to wealth, power and honours of every kind, yet by the general rules by which external prosperity is distributed, the desire is within humanity to see them crowned with the highest degree of admiration as proper recompense and a recompense these virtues can seldom fail of acquiring (Smith, 1759:166-167). "Fraud, falsehood, brutality and violence, on the other hand," wrote Adam Smith (1759:167)

excite in every human breast such scorn and abhorrence, that our indignation rouses to see them possess those advantages which they may in some sense be said to have merited, by the diligence and industry with which they are sometime attended.

The industrious scoundrel that cultivate the soil, the dishonest business person that underpay his workers, may reap the harvest and accumulate profit from their diligence and industry. The natural course of things may decide it in favour of the scoundrel and corruptible, but the natural sentiments of humankind will favour the person of good virtue (Smith, 1759:168). In terms of the general rules by which external prosperity and adversity are commonly distributed in life, the distress which the industrious scoundrel and dishonest businessman naturally bring on themselves and by human laws and consequences of human sentiments, the life and the estates of those that scoundrel corrupt, and abuse will be forfeited. The person of fidelity and prudence will be rewarded by extraordinary recompense (Smith, 1759:168). By these general rules, humans are directed by nature to correct, in some measure, that distribution of things which she /herself would otherwise have made. However, nature will bestow upon every virtue and on every vice, “that precise reward or punishment which is best fitted to encourage the one, or to restrain the other” (Smith, 1759:168). By the natural course of things, the wise and virtuous wrote Adam Smith (1759:168-169), will prevail over a small group that is corrupt and that are scoundrels and abusive. Those who engage in an enterprise with forethought and all with necessary preparation, would prevail “over such as oppose them without any; and that every end should be acquired by those means only which nature has established for acquiring it.” “This seems to be the rule” wrote Adam Smith (1759:169), “not only necessary and unavoidable in itself, but even useful and proper for rousing the industry and attention of mankind.”

What then is the reward most proper and by the pre-eminence of nature and the laws of an All-powerfully being, for encouraging frugality, prudence, self-command, benevolence and justice?

Success in every sort of business (Smith, 1759:166)

By implication, the reward most proper of the laws of the market, that maximizes utility; the market of morality that inculcate moral sentiments in human behaviour and preferences and the *habit of virtue* that encourage industry, prudence and circumspection, is: success in every sort of business. And by the general rules by which external prosperity is commonly distributed in life a successful and prosperous economy emerge – which is the aim of Adam Smith’s *classical exchange model*.

6.8.5 CONCEALED DYNAMIC FORCE

In the previous Section under the heading final causes, I have endeavoured within my gift, to examine the final causes as observed in Adam Smith’s *classical exchange model*. more notably, the end of human avarice and ambition and of universal benevolence. Thereafter I have attempted, within the confines of the aim of this thesis, to reflect on the question whether there are, by implication or tacitly, any clear-cut outlines of great purposeful laws filling an overarching and meaningful whole. The attentive reader would have, hopefully, gained from the very limited

account, that there are indeed many indicators in the entire corpus of Adam Smith's work, that demonstrate that society was in fact constantly improving and that it was being propelled towards a positive goal, because there are concealed dynamics beneath the surface of things which powered the social whole like an enormous engine (Heilbroner, 1999:61). That there is indeed a concealed dynamic force at work that drives society to a wonderful multiplication of wealth and riches is indeed evident at least from my perspective of Adam Smith's account of nature and human behaviour. A concealed dynamic, that harness people's creative powers in a milieu that encourages humans, even force humans, to invent, innovate, expand and take risks (Heilbroner, 1999:63).

A concealed dynamic that shape and guide human behaviour and preferences like laws of behaviour. Indeed, a concealed dynamic that change human behaviour in a way that humans who are creatures of self-interest conform to moral judgement in which self-interest is held in abeyance or transmitted to a higher system that is morally and ethically more sublime and pure. A concealed dynamic that could empower those that feel deceived by the aesthetic pleasure afforded by power and riches, - a pleasure that is re-enforced by the admiration of other, by restoring a person's ease of body and tranquillity of mind. It is through this concealed force, that every single event, as the ancient Stoics asserted to and acknowledged by Adam Smith (1759:34), make a necessary part of the plan of the universe and is attending to the promotion of the general order and happiness of the whole (Raphael& Macfie, 1982:8).

It is indeed by the force of those concealed dynamics that rationality and order as Heilbroner argues triumph over arbitrariness and chaos (1999:70). It allows good to emerge while humans are solely engaged in their own self-interest desires, passions and aversions, by creating a vast social machinery to rationalize selfish instincts into social virtues. And by changing selfish instincts into social virtues, the social machinery, cause universal ethics, that apply to all similar situated individuals, to become enshrined in the law of nature. By so doing, this dynamic force creates, though slowly and gradually, a system, in the context of the Stoic idea (Raphael& Macfie, 1982:7), that is harmonious, self-correcting, progressive and responsive to those ends which the great Director of nature intended to produce (Smith, 1759:77-78).

This idea of that divine Being wrote Adam Smith (1759:236), whose benevolence and wisdom have, from all eternity, contrived and conducted the immense machine of the universe, so as at all times to produce the greatest possible quantity of happiness, is certainly, of all the objects of human contemplation by far the most sublime. Every other thought necessarily *appears mean in the comparison* [own emphasis]. In discovering and by acknowledging the immense beauty of the social machinery, that rationalize, what appears haphazard and chaotic and by connecting the chain of intermediate events, that more often than not pass unnoticed by the mass of people,

Adam Smith (1759:184-185) observed, that society and in particular those empowered with the bounty of riches:

are led by an invisible hand to make nearly the same distribution of the necessaries of life, which would have been made, had the earth been divided into equal portions among all its inhabitants and thus without intending it, without knowing it, advance the interest of the society.

Adam Smith (1759:185) further observed that:

When Providence divided the earth among a few lordly masters, it neither nor abandoned those who seemed to have been left out in the partition - These last too enjoy their share of all that it produces. In what constitutes the real happiness of human life, they are in no respect inferior to those who would seem so much above them. In ease of body and peace of mind, all the different ranks of life are nearly upon a level and the beggar, who suns himself by the side of the highway, possess that security, which kings are fighting for.

Is this concealed dynamic force indeed an invisible hand? From my observation, I think modern commentators are laying too much stress on the invisible part of the philosophical construct of invisible hand which appears only twice in the entire corpus of Adam Smith's work.

The concealed dynamic force that are at work, either through the multiplied systems enshrined in the law of nature – though very slow and gradual and with small practical changes [as so aptly observed and articulated in the entire corpus of Adam Smith's work] and through forceful interventions, as the history of the universe bare testimony to, is indeed not invisible. As man discover the law of nature and come to know nature more personally, through deduction, nature is indeed rendered more visible and coherent as a magnificent spectacle than otherwise it would have appeared to be.

The attentive spectator would come to admire that the rules laid down by an All-Wise Architect – a great conductor – God, as Adam Smith many a time respectfully and passionately referred to in the corpus of his work, are guiding and shaping the behaviour and preferences of man, to visually and tangibly manifest those ends which the great Director of nature intended to produce by them (Smith, 1759:77-8).

6.8.6 INTENDED PURPOSE OF NATURE

In the subsequent Section, I have reflected on the question whether a concealed dynamic force exist beneath the surface. I have concluded that in terms of Adam Smith's account, there is indeed a concealed dynamic force at work that drives society to a wonderful multiplication of wealth and

riches. It harnesses a person's creative process in a milieu that encourages him to invest, innovate, expand, take risks and be creative. Indeed, a concealed dynamic that change behaviour in a way that humans who are creatures of self-interest conform to moral judgement in which their interest is held in abeyance or transmitted to a higher system that is morally and ethically more sublime and pure.

The question now before us, is rather what the intended purpose of nature is? – what is the great end of nature? Though I have, in some degree, alluded to the question and laid bare some considerations, I wish to conclude the section on final causes, by reflecting on this very important question, once more. Humans, according to Adam Smith (1759:77) has been endowed with an appetite for the end which she [nature] proposes. Accordingly, humankind desire those ends and has an aversion to the contrary. The question is therefore what is the end that nature proposes or what humans have an aversion too – This question goes to the core of human behaviour and preferences. According to Adam Smith (1759:166), there are innumerable considerations which serve to confirm that the happiness of humankind, and of all other rational creatures, seems to have been the original purpose intended by the Author of Nature, when he brought them into existence.

No other end seems worthy of that supreme wisdom and divine benignity which we necessarily ascribe to him [the Author of Nature]; and this opinion, wrote Adam Smith (1759:166) which we are led to by the abstract consideration of his infinite perfections, is still more confirmed by the examination of the works of nature, which seem all intended to promote happiness and to guard against misery. In fact, according to Adam Smith (1759:237), the administration of the great system of the universe, which is the business of God, indeed takes care of the universal happiness of all rational and sensible beings. Humans, on the other hand, have been allotted the task to take care of their own happiness, of that of their family, their friends and country, within the weakness of their powers and to the narrowness of their comprehension.

For this reason, humankind is endowed with a love of life and a dread of dissolution; with a desire of the continuance and perpetuity of the species and with an aversion of the contrary (Smith, 1759:77). It is indeed for this reason that humans are bestowed with an innate desire of bettering their conditions of living and therefore toil and bustle in this world. It is by this innate disposition that the meanest labourers work to gain the means to acquire what Adam Smith called the necessities, conveniences and amusement in life - all intended for their happiness and ease of life. The quest for universal happiness seems to me to run through the entire creation and we therefore ought to ventilate the question what the meaning of happiness is and where and when will humans find solid happiness in life in examining the great end of nature as implied in Adam Smith's *classical exchange model*.

What is the meaning of happiness? From my examination of Adam Smith's (1759:235) account of the great end of nature and his assertion that all the movements of nature are to maintain in it, at all times the greatest possible quantity of happiness, I have to conclude, that Adam Smith's account of happiness is not the same as what the ancient hedonist, Jeremy Bentham as laid down in his ethical theory of Utilitarianism (Geisler, 1989:24). There is innumerable consideration in Adam Smith's *classical exchange model*, which serve to confirm this conclusion – many of which I have already extensively reflected on. Adam Smith's understanding of happiness as the great end of nature cannot be regarded in the same way as the ethical system of Antinomianism. As I have already set out to prove in the subsequent section, contrary to Antiunionism, Adam Smith asserts that:

- There are God-given moral laws
- There are objective moral laws and
- There are timeless moral laws

Therefore, the search for happiness as the great end of nature should not be confused with the hedonist term of *pleasure*. In Adam Smith's account happiness has a far deeper, warmer, spiritual, moral and emotional meaning. Let us reflect on those salient aspects implied in Adam Smith's account of what happiness implies. Firstly, happiness consists, as asserted by Epicurus and cited by Adam Smith (1759:295), of bodily pleasure – yet it is not the sole ultimate object of human desire and the aversion of pain. Nature has bestowed us with the original and immediate instincts of hunger, thirst, the passion which unites the two sexes, the love of pleasure and the dread of pain. It is by those endowments that humans preserve themselves and propagate which are the great end which nature seems to have proposed in the formation of all animals (Smith, 1759:77). But the pleasure of the mind, though ultimately derived from those of the body, are vastly greater than their originals (Smith, 1759:295). Since our happiness and misery, depends chiefly on the mind, we enjoy happiness when our reason and judgement maintain a superiority (Smith, 1759:296). In easy of body, therefore wrote Adam Smith (1759:296) and in security or tranquillity of mind consisted, according to Epicurus, the most perfect state of human nature, the most complete happiness which people are capable of enjoying. Adam Smith (1759:149) therefore observed that happiness consists of tranquillity and enjoyment. Accordingly, Adam Smith (1759:149) wrote, without tranquillity there can be no enjoyment and where there is perfect tranquillity there is scarce anything which is not capable of amusing. With that, Adam Smith (1759:149) also implies, the preservation of equanimity. Whatever therefore tended to promote human happiness, in particular easy of body and the security or tranquillity of mind, are therefore right and laudable and virtuous and the contrary wrong, blameable and vicious.

Taking the previous into consideration, Adam Smith alluded to a further related consideration that are implied in real happiness. Adam Smith (1759:290), asserts that a person may not experience

real happiness – implying tranquillity of mind and contentment of bodily pleasure – had he not completely subdued all his private, partial and selfish passions. Until then, the person will not have an earnest desire nor experience of universal happiness, other than his anxiety for the gratifications of those private, partial and selfish passions, that keep him in that abyss of misery and disorder and therefore not enjoying the free air of liberty and independency (Smith, 1759:290). By implication, happiness will elude those who has no or partial command over their private, partial and selfish passions. They will not enjoy liberty. This brings me to the third consideration in our search for happiness.

Happiness finds its propriety and approbation in natural liberty. Natural Liberty for Adam Smith is about fundamental human rights: to be protected, to have the right of trafficking with those who are willing to deal with him (Kennedy, 2008:250), where a person may change his trade and having mobility to do so (Smith, 1776:63) and having equality of advantages of different employment (Smith, 1776:112). By implication a condition in which all systems of preference or of restraint have been completely taken away (Kennedy, 2008:169-170). And where all persons in society has the right of association and mobility [free movement] and the ability to protect their dignity and estate. A further consideration of happiness is what Adam Smith very justly regard to, as virtue. Happiness accordingly, is to have the inner moral strength, to be wise, just, firm and having a temperate conduct. These virtues are “the most certain and infallible road to happiness even in this life” (Smith, 1759:282). By this implication, Adam Smith reaffirm his strong belief in the benefits of being virtuous and wise and the material and psychological benefits that being virtuous contribute to a person’s real sense of happiness.

This brings me to the final consideration of happiness that relates to natural liberty. According to the Stoic’s doctrine and many other observations by Adam Smith which tend to confirm and inculcate the same doctrine of natural liberty and the attainment thereof, is closely connected to people’s moral duties with their legal obligations as citizens (Kennedy, 2008:7). By implication humans cannot experience happiness, if they are not at liberty, as I have already alluded to, to freely associate and having unobstructed mobility. With that comes a price. Natural liberty is not only about human rights and freedom but is closely connected to people’s moral duty and legal obligations as citizens. By implication human happiness depends on their ability and commitment to observe his duty and comply with his legal obligations as citizens.

In conclusion, in terms of my understanding of Adam Smith’s account of happiness as the great end of nature, happiness as a concept is far greater than the hedonistic concept of pleasure. Happiness by implication arise and find its propriety and meaning from:

- Bodily pleasure – thought not to be the ultimate object of human desire,
- Pleasure and tranquillity of mind when reason and judgement maintain a superiority,

- Self-command over private, partial and selfish passions to restrain anxiety for the gratification of those passions and to avoid misery and disorder,
- Natural liberty and by implications freedom of association and mobility and the right and ability to protect one's dignity and estate,
- Virtue: being wise, just, firm and having a temperate conduct and
- Duty and legal obligation: having the ability and commitment to observe one's moral duty and comply with one's legal obligations as a citizen.

6.8.7 WHERE WILL MAN FIND HAPPINESS?

Having regard for the broader meaning of human happiness as implied in Adam Smith's *classical exchange model*, the search for and the procurement of the necessities, conveniences and amusement in life, ought indeed to be our primary concern, though it may not be the fundamental source of happiness. Will humans find solid happiness in the propriety of the necessities, conveniences and amusement of life? The answer is probably no! You see, if human behaviour and preferences are deduced from the human deception that their own worth and purpose are founded on the superfluities and vanities of their desires, humans will pursue wealth, power and eminence with great ambition and avarice and their natural selfishness and rapacity will serve only their own conveniences and the ratification of their own vain and insatiable desires (Smith, 1759:184). "Though man will fonder in his wealth of conveniences, amenities and amusement – for all the advantages it procures him," wrote Adam Smith (1759:51) humans will not find solid happiness.

According to Adam Smith's (1759:235) account and I have already alluded to it in a aforesaid section, humans will find solid happiness, when human behaviour and preferences are not founded on their selfishness and rapacity nor their self-love, but rather when they have the conviction that all the inhabitants of the universe, the meanest and the greatest, are under the immediate care and protection of that great benevolent and all-wise Being, who directs all the movement of nature and who is determined, by his own intolerable perfections, to maintain in it, at all times, the greatest possible quantity of happiness (Smith, 1759:235). If a person is not thoroughly convinced accordingly, no prosperity can ever enlighten the gloom and discontentment that follows if a person only considers a person's own interest and having no or little regards for the happiness of others – as nature has intended. The person without this conviction will not be willing that the person's own private interest should be sacrificed to the public interest. Nor will the person be willing that the interest of the person's order and society should be sacrificed to the greater interest of the state or sovereignty; of which it is only a subordinate part (Smith, 1759:235).

Likewise, no prosperity will enlighten the gloom and discontent that follow onto the misfortunes which may befall the person, the person's friends, society, or country. The reason being, is that the person is not convinced "of the universal benevolence of God as the immediate administrator and director" (Smith, 1759:235). "If he is deeply impressed with the habitual and thorough conviction", wrote Adam Smit (1759:235)

that this benevolent and all-wise Being can admit into the system of his government, no partial evil which is not necessary for the universal good, he must consider all the misfortune which may befall himself, his friends, his society, or his country, as necessary for the prosperity of the universe and therefore as what he ought, not only to submit to with resignation, but as what he himself, if he had known all the connexions and dependencies of things, ought sincerely and devoutly to have wished for.

I therefore deduce from these averments of Adam Smith, that the human desire for happiness – as the great end of nature, should not be confined to the material gratification of material prosperity, that has some propriety. But perhaps, more fundamentally, in the deep and sincere conviction of the universal benevolence. From my understanding of Adam Smith's *classical exchange model*, the means to become truly prosperous and happy are indeed to pursue the necessities, conveniences and amusement of life to satisfy our bodily pleasure, but perhaps of greater lasting benefit, to gain the wealth, wisdom and virtuousness that provide, the pleasure of mind – the security and tranquillity of mind. Furthermore, the ability to fulfil a person's moral duties and legal obligations to society and having the liberty to protect a person's dignity and estate. Lastly, to associate with whom a person desires and to have the mobility and the freedom to express a person's preferences.

This is perhaps the infallible road to happiness.

6.8.8 WHEN WILL MAN FIND HAPPINESS?

A proper reply to this question is not so forthcoming and clear from Adam Smith's corpus of work – at least it eludes my comprehension. A proper response may be constructed by deduction and from own experience. At an individual level, one may deduce that immediate gratification of bodily pleasure or ease of body is achievable as our own primordial instincts of hunger, thirst, the passion which unites the two sexes, the love of pleasure and the dread of pain (Smith, 1759:77-78) drive a person to find the means of pleasure and to avert pain. But, though the immediate gratification and the approbation of the person may have deceived a person's own worth and purpose, the superfluities and vanities of a person's passions will not bestow upon the person any deeply founded happiness.

The pleasure of mind, the security of tranquillity and enjoyment, will only be bestowed in full on a person, once the person has the deep convictions of the universal benevolence. Only then a person will be able and willing to subdue the person's passions, desires and aversion and be more virtuous, wise, just, firm and having a temperate conduct. Until then the person will not fully enjoy the liberties nature desire to bestow upon the humankind.

Would this, by implication, suggest that humankind could only enjoy the security of tranquillity and enjoyment in time to come? Absolutely not! From my comprehension of Adam Smith's affirmations in this regard, I deduce that this process is by nature, slow and quite gradual and occur through practical small changes. It requires a habitual sympathy that should develop between a person, creation and the Creator that by definition ought to develop with great consistency and permanence. The desire bestowed upon a person for the ends of nature, which in Adam Smith's account is the greatest possible quantity of happiness and the desire for the means to attain it, will by the unalterable perfections of the great, benevolent, good and all-wise God, guide and shape human behaviour and preferences to attain the means and achieve the ends of nature, at all times (Smith, 1759:235). It is indeed within a person's comprehension and grasp to attain the means and experience the greatest possible quantity of happiness not only in a life to come but in the next moment. Good will emerges and rationally and order will triumph over arbitrariness and chaos, for those whose behaviour and preferences are rational and sensible. They are those among us who do not pursue their interest in a selfish manner and do not have a strong excessive desire to acquire opulence without the habitual sympathetic regard for the happiness and pain of others. They are among us who serve each other's interest with gratitude and joy. These are the ground rules, or of you wish, the ethical and moral foundation of Adam Smith's *classical exchange model* and vision which is essentially today, still the blueprint of the mode of organizing the economic household of those liberal democratic societies which uphold the neo-liberal economic policies as it emerges all over the world.

Will the vision of Adam Smith ever be fulfilled? To answer to this question, I have to rely on the observations of an American economist and historian of economic thought, Robert Heilbroner. According to Heilbroner (1999:67), Adam Smith "was above all a realist." In the very long run, wrote Heilbroner (1999:67), Adam Smith saw that a growing population would push wages back to their natural level. When would that time come? Clearly, it would arrive when society had run out of unused resources and introduced as fine a division of labour as possible. In a word, growth would come to an end when the economy had extended its boundaries to their limits and then fully utilized its increased economic space. Heilbroner goes further in his observation and reflect on the question, why could the boundary not be further expanded? According to Heilbroner, Adam Smith "saw the all-important division of labour as a once – from – all, not a continuing, process" (Heilbroner, 1999:67). Adam Smith according to Heilbroner's (1999:67) interpretation, "did not see the organizations and technological core of the division of labour as a self-generating process

of change, but as a discrete advance that would impart its stimulus and then disappear” (Heilbroner, 1999:67). Therefore, in the very long run the growth momentum of society would come to a halt (Heilbroner, 1999:67). Accordingly,

the labourer would return to his subsistence wages, the capitalist to the modest profits of a stable market and the landlord might enjoy a somewhat higher income as food production remain at the levels requires by a larger, although no longer growing population (Heilbroner, 1999:67).

The ultimate question is: When will that happen? Heilbroner cite some remarks made by Adam Smith in this regard. Regrettably, Heilbroner did not cite any reference to allow verification. I therefore cite Heilbroner’s remarks without verification. According to Heilbroner (1999:67), Adam Smith once mentioned two hundred years at the longest period over which a society could hope to flourish. Weather this is the case or not, or if the time has already past, that is not within the scope of this thesis. What is indeed the aim of this thesis is to establish if a new ethical paradigm is required to shape and direct human economic behaviour and preferences in attainment of a more discernible economic growth model rather than persisting with the utility maximization behaviour that prevails in the market driven society today. The question now before us, is whether a new ethical paradigm is indeed required. In formulating a proper response, I examine events subsequent to the publication of Adam Smith’s classical growth theory, that have had and still are having a major influence on the way modern society is interpreting and contextualizing Adam Smith’s *classical exchange model* – more pertinently, the moral and ethical considerations of Adam Smith’s *classical exchange model* as articulated in the subsequent sections of this chapter. Before I commence with the examination, I briefly summarize the ethical and moral sentiments of Adam Smith in terms of eight criteria. This summary would contextualize the ethical and moral sentiments of Adam Smith and indicate whether his sentiments are deontological or teleological in terms of ethical theories.

6.9 EVALUATION OF THE ETHICAL FOUNDATION

In this chapter, I have examined the ethical foundation of Adam Smith’s classical exchange market model. More particularly, the examination included the following aspects of Adam Smith’s ethical and moral sentiments underlying his classical exchange model:

- Admirable traits of character
- The basis of moral judgement
- The influence and authority of conscience and
- Final Causes or teleological nature

I now proceed to summarize and contextualize, the ethical and moral system that prescribe ethical principles and rules of conduct as recommended by Adam Smith and that are underlying his *classical exchange model*. In conclusion, I proceed in Chapter 7 to follow, to examine three consequential occurrences that have had fundamentally influenced the general validation and relevance of these ethical principles and rules of conduct in the general economic discourse. These consequential occurrences are indicative of why the general economic discourse since the 18th century, have generally accepted the tenets or precepts as articulated in Adam Smith's works *The Wealth of Nations* and subverted or expunged from the general discourse, Adam Smith's underlying ethical and moral system. This chapter is then concluded with a synopsis of the ethical and moral deficiencies in the current economic discourse. With this conclusion, the study comes a step closer in evaluating why a new paradigm is required and how *theoeconomy* can resolve the current ethical deficiencies in the economic discourse.

According to Geisler (1989:17), ethical systems that prescribe ethical rules of conduct can be broadly divided into two categories: Deontological or duty-centred ethics and teleological or end-centred ethics. The fundamental difference between deontological ethics and teleological ethics or end-centred ethics, is that in the former system rules determine the results and the basis or justification of an act and in the latter, the results determines the rules and the basis of justification of an act. Ethical views of right and wrong can further be analysed according to those views that maintain that rules are absolute or relative. To analyse and examine the ethical views and moral sentiments of Adam Smith in terms of the various categories that broadly define ethical theories, are indeed a very interesting subject but falls outside the scope of this thesis. For this reason, I summarize the ethical thinking and moral sentiments of Adam Smith that are underlying his *classical exchange model* in eight principles or standards by which the ethical and moral views may be judged or decided on. These principles or standards are:

- Natural law and the power of sympathy ("conscience") are antecedent to the formation of human morality.
- Habitual sympathy is a categorical imperative.
- The reasonable person is individualistic but not solipsistic.
- There exist in the mind of everyman an idea of the exact rules of perfect propriety.
- In executing a person's moral and ethical duty the person subordinates a person's private interest to the public good.
- Intrinsic good actions are always good in and of themselves.
- Trust in the providence of God.

Due to the limited scope of my synopsis, I will not endeavour to make any final pronouncement on whether Adam Smith's ethical views and moral sentiments are considered either deontological or teleological in terms of the principles of ethical theory. However, I would assert that the contextualization of the ethical views and moral sentiments in terms of the previous criteria, is indicative that the underlying nature of Adam Smith's ethical views and moral sentiments are rather deontological than teleological and reliant on ethical rules of conduct that are absolute in some instances and relative in other instances. This distinction is fundamental in evaluating the current ethical and moral deficiencies in the economic discourse and contextualize the epistemology of *theoconomy* as a new paradigm. It would also be more evident after summarizing Adam Smith's ethical and moral views, that his sentiments, in terms of the Doctrine of Teleology are essentially teleological and his sentiments about God are theological in essence. His views of final causes, divine design and the ends of nature are most evident and his theological interpretation of God as the Author of Nature, the all-wise and benevolent Being clearly articulate Adam Smith's own understanding of the Providence of God. A deontological, theological and teleological view therefore exist in Adam Smith's ethical and moral sentiments that underpins or form the foundational essence of his *classical exchange model*. This view is also shared by Jacob Viner (1927:206), who once wrote that in *The Theory of Moral Sentiments* 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." Further, Viner (1927:206) argues that the doctrine may have been the secret basis of Smith's conclusions in *The Wealth of Nations*.

6.9.1 NATURAL LAW AND THE POWER OF SYMPATHY (CONSCIENCE) ARE ANTECEDENT TO THE FORMATION OF HUMAN MORALITY¹¹

According to Adam Smith's observation, a desire drives humans to find the means and manner of conduct to perpetuate at all times and to continuously improving conditions of living. In fact, nature endow humankind, according to Adam Smith, with an appetite for the end which she proposes and likewise with an appetite for the means by which alone these ends can be brought about, for their own sake (Kennedy, 2008:38). The Stoical philosophy, on which Adam Smith's *classical exchange model*, to some degree rely on, asserts that nature points out to us and create within us, the desire and preference to pursue health, strength, agility and ease of body, and external conveniences which could promote wealth, power, honours and the respect and esteem of those we live with (Smith, 1759:272). These desires or affections are pointed out to us as things eligible. For instance, as Adam Smith (1776:341) asserts humans have a lifelong womb to the grave desire for self-betterment and to overcome obstacles on the way of progress. The way

¹¹ The headings of paragraph 6.9.1 to 6.9.8 are intended to express each a value statement that resonate Adam Smith's ethics. The paragraph headings have accordingly been worded as such.

nature points out to humans the things eligible and direct humans, is through the immediate instincts of hunger, thirst, the passion which unites the two sexes, the love of pleasure and the dread of pain. It is then by these immediate instincts, that humans from a very early state of evolution, develop the disposition to socialize in a societal context; being inquisitive and self-centred and continuously toil and work towards bettering the conditions of living. These immediate instincts to survive, preserve, bettering conditions of living and avoid desiccation, are indeed fundamental for human existence and runs through the universe as natural laws. As such these immediate instincts are indeed antecedent to the establishment of the minimum standard of human behaviour. These innate dispositions of humans therefore constitute the immediate essence of human behaviour that are antecedent to people's immediate prosperity (Kennedy, 2008:31).

Over long periods, through multiple interactive contact, humankind realized that certain behaviour of conduct and attitudes are more conducive to the ease of life and allow some to prosper and acquire basic necessities quicker than other and by so doing accumulate a surplus over biological needs to exchange and barter.

Gradually, according to Adam Smith's ethical and moral thinking these attitudes and behaviour of conduct became acceptable behaviour and the ethical and moral standard of living. Over time, humankind established and formally agreed on general rules of behaviour and conduct and specific *exchange ethics*, that in time became formal rules and protocols that are taught to the next generation and future generations. These general rules and in particular *exchange ethics* are established by mutual consent through multiple interactive human behaviour that arise from the dependence of each person in society and goodwill of many independent others. Likewise, the basis of moral judgement and ethical behaviour and rules by which we render them, developed without an overall antecedent plan devised by human reason, creating a general consensus of the virtuous life; the basis of fair exchange and virtues of conduct. Based on countless individual judgements and concurrent choices that we as humans have made over the ages in response to particular circumstances and through the evolution of knowledge and morality, human beings have developed increasingly sophisticated principles of behaviour and judgement. What may seem at the time to be isolated and haphazard interactions, lead, as we evolved over the ages to the eventual state where these conducts solidified into principles that guide our behaviour (Kennedy, 2008:40). Ultimately, the slow change in people's interest, experiences, environment and conscience, allow enough time for longstanding associations and institutions to arise, giving a firm foundation to the rules, standards and protocols both brought institutions into being and in turn are supported by them. In a similar manner, the innate human disposition prompts competitiveness between individuals and societies and most importantly urges societies to find remedies for disorder and to overcome obstacles in the way of progress (Smith, 1776:341). By this evolutionary process, moral conduct and judgement, along with the

rules by which we render them, developed without an overall antecedent plan conceived by human reason, creating a general consensus of the virtuous life - based on countless individual judgements made in countless particular situations (Kennedy, 2008:40). This particular nature of human morality and ethics is very pertinent in the moral and ethical sentiment of Adam Smith's philosophy that is underlying his own ethical and economic discourse.

There is, however, in terms of Adam Smith's ethical views, a second source antecedent to the creation of human morality. In his examination of *reason* as the basis of judgement, Adam Smith (1759:319) took a strong opposing view against the popular thinking at the time, that the essence and beauty of virtue and human morality are not derived from the conformity with the "law of the superior", but in their conformity with reason, which was considered as the original source and principle of approbation and disapprobation. The thinking at the time, that Adam Smith (1759:319) tried to confute was that the general maxims of morality is formed, like all other general maxims from experience and induction. According to this system, we discover those general rules of justice by which we ought to regulate our actions, by reason. It is by the same faculty that we form this more vague and indeterminate ideas of what is prudent, of what is decent, of what is generous or noble. Reason, is according to those proponents constantly, or at least most often than not, carried with us and according to which we endeavour, and we can, to model the tenor of our conduct (Smith, 1759:319) and discriminate between our preferences. Virtue and the basis of moral judgement accordingly said to consist in a conformity to reason and as far as this faculty may be considered, as the source and principle of approbation and disapprobation (Smith, 1759:320). That virtue consist in conformity to reason, is true in some respects, argues Adam Smith (1759:319) and the faculty of reason may be very justly to be considered as, in some sense, the source and principle of approbation and disapprobation and of all solid judgements concerning right and wrong. But though reason is undoubtedly in some respect, the source of the general rules of morality and of all the moral judgements which we form by means of them, it is altogether absurd, wrote Adam Smith (1759:320) and unintelligible to suppose that the first perceptions of right and wrong can be derived from reason, even in those particular cases on the experience of which the general rules are formed.

The question is therefore what is antecedent to reason – what logically precedes reason as the faculty of all judgements concerning right and wrong and according to which we endeavour, to model the tenor of our conduct and discriminate between our preferences. Adam Smith's (1759:320) argument is that these first perceptions, *as well as* [own emphasis] all other experiences on which any general rule is founded, cannot be the object of reason, but rather of the immediate sense and feeling. Accordingly, Adam Smith (1759:320) asserts that it is by finding in a wide variety of instance that the one tenor of conduct constantly displeases the mind, that we form the general rules of morality. But reason cannot render any particular object either agreeable or disagreeable to the mind for its own sake. Reason may show the way that this object or this

tenor of conduct is more pleasing or displeasing or one preference more suitable than the other and in this way, may render the object of behaviour or preference either agreeable or disagreeable for the sake of something else. But reason cannot render an object and tenor of conduct agreeable or disagreeable, which is not rendered such by immediate sense of feeling (Smith, 1759:320).

Adam Smith therefore asserts that, if virtue, therefore, in every particular instance necessarily pleases for its own sake and if vice as certainly displeases the mind, it cannot be reason, but immediate sense and feeling, which, in this manner, reconciles us to the one and alienates us from the other (Smith, 1759:320).

The question that then arise, is: What is the source or cause of the immediate sense and feelings that is antecedent to reason? Adam Smith (1759:321) in his examination of those systems which make sentiment the principle of approbation, reflects on two schools of thought. According to the one school, the principle of approbation, or the principle by which certain character of behaviour or certain preferences are deemed right, laudable or vicious, is founded on a sentiment of a peculiar nature or rather, a particular power of perception, exerted by the mind at the view of a certain action, affection, behaviour and virtue. This sentiment, being of a peculiar nature and the effect of a particular power of perception, are also called moral sense (Smith, 1759:321).

According to the other school, there is no occasion for supposing any new power of perception, other than the power of sympathy. This school, according to Adam Smith's examination, follows the notion, that nature produces a multitude of effects from the same cause. For them, the mind is manifestly endowed with the power of sympathy and the latter sufficiently account for all the effects ascribed to the peculiar faculty. Taking into consideration, Adam Smith's remarks regarding the influence and the relevance of the power of sympathy, as opposed to self-love, one may conclude that Adam Smith regard this line of thinking most correct and of greater substance.

Accordingly, I therefore deduce that sympathy, or rather habitual sympathy, according to Adam Smith's (1759:319) ethics is indeed the innate disposition of the human mind that excite and direct humans to conform to the "law of a superior" which is the original source and principle of approbation and disapprobation. By implication, like all other basic human instincts that point out to man the things eligible and direct humans accordingly to the end which they propose, the habitual sympathy within humans shape and direct, human behaviour and preferences towards the desired outcome. In his account of the "authority and influence of conscience" Adam Smith accordingly equate habitual sympathy to *The Impartial Spectator* a philosophical construct to explain the authority and influence of human conscience.

This brings us to the categorical imperative or the unconditional moral obligation that Adam Smith asserts is binding on all circumstances and not dependent on a person's preferences or purpose.

This, categorical imperative on all of humankind is the habitual sympathy for other creatures and creation as a whole. It is by this categorical imperative that the universal law [natural law] and the immediate sense and feeling that is antecedent to the formation of human morality, manifest in human behaviour and preferences to attain the outcome that God, the Author of Nature, proposes. This categorical imperative, set humans apart and stamp an additional dignity and beauty on humans. In so doing, the natural law that control and direct the universe are being fulfilled.

6.9.2 HABITUAL SYMPATHY IS A CATEGORICAL IMPERATIVE

In the previous Section, I have summarized Adam Smith's ethical and moral thinking, that the universe is run according to an universal law or also labelled, natural law and the habitual sympathy [conscience] that are antecedent to the formation of human morality. The root question or principle question that requires a response is: How do human societies hold together? According to Adam Smith's assertion it is the feeling or sense of sympathy and the affection founded on it, that is holding society together. This sense of sympathy is in turn the effect of universal benevolence. Universal benevolence is the cause of human sympathy and the affection founded on it, which we feel with other creatures whether it is other human beings or other form of creation. According to Adam Smith's (1759:220) observation, our concern, in the happiness or misery of those who are the objects of what we call our affections and our desire to promote the one and to prevent the other, are either the actual feeling of that habitual sympathy, or the necessary consequences of that feeling. This interpretation of the sense of sympathy is analogous with the Stoic moral philosophy of "*The social bond*" (Raphael & Macfie, 1982:7) [own emphasis]. "Man, according to the Stoics" wrote Adam Smith (1759:140),

ought to regard himself... as a citizen of the world, a member of the vast common wealth of nature... We should view ourselves... in the light in which any other citizens of the world would view us. What befalls ourselves we should regard as what befalls our neighbour, or what comes to the same thing, as our neighbour regards what befalls us.

Adam Smith regards this underlying "bond of sympathy" as indeed a categorical imperative or moral obligation which is binding in all circumstances. As Adam Smith (1759:128) wrote

He [the all-wise Author of Nature] [own emphasis] has made man, if I may say so, the immediate judge of mankind and has in this respect, as in many others, created him after his own image and appointed him his *vicegerent upon earth* [own emphasis] to superintend the behaviour of his brethren. In exercising his appointment as vicegerent man ought not only to rely on his own judgement. Man, by the intent of the Author of Nature also has to respect the sentiments and judgements of others.

A person, therefore ought to rely on the person's own judgement of the person's behaviour and preferences, but also through a sympathetic observation, consider the judgement of others. With regard to the two dimensions of humans, a person as the person's own judge – whether the person judge the person's own behaviour or preferences or that of others, has been rendered the immediate judge only in the first instance. Secondly and more fundamentally, “an appeal lies from his sentence]” wrote Adam Smith (1759:130) “to a much *higher tribunal* [own emphasis], to the tribunal of their consciences – to that of the supposed impartial and well-informed spectator, to that of the man within the breast, the great judge and arbiter of their conduct.”

By implication, taking into consideration Adam Smith's accounts of those systems which make reason the principle approbation, one may assume that in the *first instance* people rely on their reason to make an immediate judgement of the propriety of behaviour and preferences and ought to appeal to the tribunal of their higher conscience – to that of the supposed impartial and well-informed spectator – the philosophical construct of Adam Smith to explain human conscience, to judge and superintend the behaviour of others. Accordingly, Adam Smith (1759:130) views the jurisdiction of those tribunals to be founded on principles which, though in some respects resembling and akin, are, however, in reality different and distinct. This distinction is evident in the dimensional difference between the sentiments of the real spectator – being the reasonable person and that of the imagined impartial spectator, being the conscience person within.

The judgement of the real spectator as a reasonable person is basic and primordial and depends on the desire for actual praise. That of the higher tribunal, depends on the desire for praiseworthiness, indeed, a dimensional and qualitative difference in propriety. By this explanation, the tribunal of the higher conscience is founded on the categorical imperative of habitual sympathy, whereby we view our behaviour, preferences and those of others, neither from our own place nor yet from theirs, neither with a person's own eyes nor yet with theirs. But from the place and with the eyes of a third person who has no particular connection with either and who judge with impartiality between them (Smith, 1759:135-136).

The Impartial Spectator or the person within, serve as a looking glass. It is from this person within only, wrote Adam Smith (1759:137) “that man earn the real littleness of ourselves and of whatever relates to man and the natural misrepresentation of self-love can be corrected by the eye of this impartial spectator.”

It is he who shows us the propriety of generosity and the deformity of injustice, the propriety of resigning the greatest interest of our own, for the yet greater interest of others and the deformity of doing the smallest injury to another, to obtain the greatest benefit to ourselves (Smith, 1759:137).

It is therefore, not the love of our neighbour, wrote Adam Smith (1759:137), “it is not the love of humankind, which upon many occasions prompt us to the practice of those divine virtues.” According to Adam Smith (1759:137)

it is strong love, a more powerful affection, which generally takes place upon such occasions, the love of what is honourable and noble, of the grandeur and the dignity and the superiority of own character. Indeed, the attributes formed within by our conscience.

In exercising their appointment as vicegerent on earth, it is therefore imperative that humans develop, through continuous effort and repentance, the habitual sympathy for other beings and creation in general. It is therefore an unconditional moral obligation on all of humankind and binding under all circumstance that:

We should view ... ourselves in the light in which any other citizen of the world would view us. What befalls ourselves we should regard as what befalls our neighbour, or what comes to the same thing, as our neighbour regards what befalls us (Smith, 1759:140).

It is by this categorical imperative that the “social bond” would be formed between humans as citizens of the world and as members of the vast common wealth of nature, with the rest of creation and the all-wise Author of Nature who has appointed humans, according to Adam Smith (1759:128) as “his vicegerent upon earth.”

6.9.3 THE REASONABLE PERSON IS INDIVIDUALISTIC BUT NOT SOLIPSISTIC

A central tenet of Adam Smith’s exposition is individual pursuit. A self-interest motive is indeed according to Adam Smith’s exposition innate to human behaviour and in its most rudimentary nature, motivate humans to survive, preserve itself and procreate. But is Adam Smith’s exposition encouraging solipsism and the view that the self is all that can be known to exist? Is the virtuous person that Adam Smith consider to be of excellent character, self-centred and selfish? A careful and objective analysis of Adam Smith’s underlying ethical and moral sentiments would proof that Adam Smith’s exposition of his *classical exchange model* is indeed mindful of the individualistic dispositions of humans but is in my view not solipsistic.

Adam Smith proposed (Bryce, 1983:493), that humans in civilized societies stand at all times in need of the cooperation and assistance of great multitudes, “while his whole life is scarce sufficient to gain the friendship of a few persons.” Humans, in this sense, stand in near total dependence on other humans, in contrast to the mature self-sufficiency of most other animals who do not have occasion for the assistance of their kind (Kennedy, 2008:109). Adam Smith

(1776:26) therefore argues that “we as humans have to understand that we are dependent on the permanent lifelong assistance of others and ought to be *other-centred* rather than to be at all times *self-centred*” [own emphasis]. This view of Adam Smith coincides with those of Zeno, the founder of the Stoic doctrine, on which Adam Smith rely on, to some extent. In so far as the relativity of our actions and more importantly, our rank in the universe is concerned, Zeno argued that: “the wise man does not look upon himself as a *whole*, separated and detached from every other part of nature, to be taken care of himself and for himself” (Smith, 1759:276) [own emphasis]. The Stoical doctrine of virtue uphold the very important principle that we ought most of all, desire the prosperity and order of the whole (Smith, 1759:274). According to the Stoical doctrine of the “social bond” (Raphael & Macfie, 1982:7), nature makes it eligible and articulate it very clearly, that the prosperity of two are preferred to that of one and therefore that many or all, must be infinitely more so. The Stoics asserts in this regard that,

we ourselves were but one and that consequently wherever our prosperity was inconsistent with that either of the whole, or if any considerable part of the whole, it ought, even in our preferences, to yield to what was so vastly preferable (Smith, 1759:274).

Though Adam Smith’s own ethical thinking may not be construed to uphold the same absolute degree of accession to the prosperity of the whole, as argued by the Stoics, Adam Smith taught in his *Lectures of Jurisprudence* (Meek *et al.*, 1983:307) that a person ought to be other-centred and that this does not imply mere coaxing and courting, but rather a genuine and real commitment to an advantageous outcome for those people that we are associates with or our actions and behaviour have a direct influence upon. As Adam Smith put it: “mere love is not sufficient for it, till I apply in some way my mind to the self-love of the other party” (Meek *et al.*, 1983:347). By implication human interaction, on which every person is reliant upon, is indeed a reciprocal relationship, whereby both parties have a genuine regard for the interest of the other. This imply in particular to the kinship and relatedness, to those recommended by nature for one’s care and beneficence.

In *The Theory of Moral Sentiments*, Adam Smith (1759:21) therefore articulates the relevance of a true fellow feeling for the interest of others:

If you have either no fellow feeling for the misfortune I have met with, or none that, bears any proportion to the resentment which transports me, we can no longer converse.... We became intolerable to one another. I can neither support your company, nor you mine. You are confounded at my violence and passion and I am enraged at your cold insensibility and want of feeling.

In the same manner, we do injustice to oneself, according to Adam Smith's (1759:270) ethical views, when we appear not to give sufficient attention to any particular object of oneself. By this assertion, a person that does not pay sufficient attention to any particular object of self-interest, act and behave unjustly to himself and others and cannot fully comprehend the perfection or propriety of the orders of passion, the governing principle for reason, or every sort of virtue or inner moral strength. In being just to oneself means according to Adam Smith (Smith, 1759:270) the same things with exact and perfect propriety of conduct and behaviour and comprehends in it, not only the same

offices of both commutative and distributive justice, but also of every other virtue, of prudence, of fortitude and of temperance. In other words, what is deserving of others, (i.e. commutative and distributive justice), I am deserving of. Taking for instance the principle of commutative and distributive justice. In terms of these ethical precepts, first applying to commutative justice, a person ought to abstain from what is another's. In this sense, we are said to do injustice to others, by doing any harm, either in his person, or in his estate, or in his reputation (Smith, 1759:269).

Likewise, a person does justice to the person self, by advancing and protecting the person self, the person's estate and reputation. In the second instance as it applies to distributive justice, we do injustice to our neighbours unless we conceive for them all that love, respect and esteem, which their character, situation and connection with ourselves, render suitable and proper for us to feel and act accordingly (Smith, 1759:269). By implication, I do injustice to myself, unless I love myself, uphold my dignity, respect and esteem which is suitable and proper for my position, status and nature.

Taking into account the character of justice, being both commutative and distributive, self-interest motivated action cannot be construed to imply selfishness or rapacity. To the contrary, we ought to give sufficient attention to any particular object of self-interest, with the degree of propriety and esteem that do not stand in conflict with what is deserving to others, namely the ethical principles of both communitive and distributive justice. In his account of those systems which makes virtue consist in beneficence, Adam Smith (1759:302) further extrapolates on the relevance and degree of self-interest motivated actions, by asserting that "neither self-love nor benevolence could be viewed as the sole virtuous motive of action." By implication, it is not right to be solely motivated by self-love nor ought one to be solely motivated to care for others. Adam Smith believes it is rather a matter, like in any competition, to balance self-interest motivated action and benevolent action against all other virtues. Adam Smith (1759:304) holds the view that with regard to our own private happiness, our self-interest too [as opposed to the public good] appear on many occasions very laudable principles of action. Though he acknowledges that the mixture of selfish motive "seems to sully the beauty of those actions which ought to arise from a benevolent affection"

(Smith, 1759:304), self-interest motives are very praise-worthy qualities, which deserve the esteem and approbation of everybody. Adam Smith (1759:304) continue this line of thinking in arguing that “on many occasions a person takes care of his health, his life, of his fortune, to which self-preservation alone ought to be sufficient to prompt him” ... “yet he is doing so not only for his own advantage but because of his regard to his family and friends.” As such, we are not ready to suspect that a person acts purely in self-interest or being selfish (Smith, 1759:304). In this instance, the cause of this, however, argues Adam Smith (1759:304), is not that self-love can never be the motive of a virtuous action, but that the benevolent principles appear in this particular case to demand its due degree of strength. The same could apply to the habits of “oeconomy” (sic), industry, discretion, attention and application of thought” (Smith, 1759:304) that are generally supposed to be cultivated from self-interest motives.

It therefore follows that self-interest motives, desire the same esteem and approbation [as benevolence and public good] and it does not follow that the regard to welfare of society should be regraded the sole motive of action, but as I have already alluded to, ought to cast the balance against all other motives (Smith, 1759:304-5). This is indeed possible even though humans are “so imperfect a creature” according to Adam Smith (1759:305), and require so many things for their existence. Humans are indeed capable of working towards an equitable balance between self-interest motivated action and those actions that are deemed more benevolent in nature. A fair analysis and appreciation of the considerations highlighted above would conclude that Adam Smith’s ethics is indeed reliant on a fair and sustainable balance between self-centredness; other centeredness; reciprocity and duty.

In motivating this balanced approach, Adam Smith accentuate three aspects that ought to be considered at all times. Firstly, that a person cannot live by self-interest alone as humans stand at all times in need of the cooperation and assistance of great multitudes. This implies that our actions or process of working together have to be such that the same end is achieved. The “man outside of society” wrote Adam Smith (1759:110) “whatever are the objects of what please or hurts him, occupies his whole attention and his passionate reactions would scarce ever be the objects of his thoughts.” In this regard he took a very strong stance against the assertions by Epicurus that humans ought to be exclusively concerned with pleasure and pain as the sole ultimate objects of their natural desires and aversions. In the same breath, Adam Smith (1759:304) advances the assertion that carelessness and want of economy [implying an unjust demand of necessities and conveniences], proceeding from a want of benevolence [implying charity] are rather a lack of self-love than a need of benevolence.

Secondly, rather to be over concerned with those objects of pleasure and pain, Adam Smith’s (1759:298) opposing assertion is that we ought to be rather concerned with the good or bad opinions which is commonly entertained by us and the general disposition of those we live with

to either assist or oppose us. The reason being is that our success or disappointment in our undertakings very much depend on the good and bad opinions of others. It therefore follows from Adam Smith's (1759:298) assertion that a person should not exclusively be concerned with the objects of pleasure and pain, but rather to obtain the advantages avoiding the unfavourable judgement of others. What this basically accentuate is the "mirror" effect of society (Kennedy, 2008:48) and what living in society does to a person's sense of character, beauty, success or failure, to articulated only a few consequential effects. To put it in a more constructive way, what Adam Smith (1759:298) asserts is that "we ought, in the pursuance of our justifiable self-interest, have a cognitive awareness of the consequential applied effect of our own self-interest desires, passions and aversions." Through the "mirror" of society we will become receptive to the fairness of reducing our demands and increasing our reciprocal offers in a given and get approach to our self-interest preferences. Thirdly, in the execution or pursuance of our self-interest preferences, a person has to be mindful of what is honourable, noble and rendering ourselves the proper objects of esteem and approbation and when one is guilty of vanity. This nuanced aspect of human character is fundamental in understanding the underlying *exchange ethics* of Adam Smith's *classical exchange model*. In this regard Adam Smith (1759:308) holds the view that people's desire of doing what is honourable and noble, of rendering ourselves the proper object of esteem and approbation cannot with any propriety be called vanity.

Adam Smith (1759:309) holds the view that even well-grounded fame and reputation, the desire of acquiring esteem by what is really estimable, does not deserve that name. Adam Smith (1759:309) considers the following worth acquiring and therefore well-grounded fame that is desirous. The love of virtue which he regards the noblest and the best passion in human nature (Smith, 1759:309). Secondly, the love of glory, a passion which he regards as inferior to the former, but which in dignity appears to come immediately after it (Smith, 1759:309). A person, according to Adam Smith (1759:309), who sets his character on the frivolous ornaments of dress and equipage, or on the equally frivolous accomplishments of ordinary behaviour, are in love with vanity. A person accordingly, is regarded as guilty of vanity who desire praise for what indeed very well deserve it, but what the person perfectly knows does not belong to the person. Such a person too, is said to be guilty of vanity, who is not contented with the silent sentiments of esteem and approbation, who seem so fonder of their noisy expressions and acclamations than of the sentiments themselves; who is never satisfied but when the person's own praise are ringing in the person's ears; who solicits with the most anxious importunity all external marks of respect; is fond of titles, of compliments, of being visited, of being attended and of being taken notice of in public places with the appearance of deference and attention (Smith, 1759:310).

He therefore regards the person, who acts solely from the regard to what is right and fit to be done, from a regard to what is the proper object of esteem and approbation, though these sentiments should never be bestowed on a person, as acting from the most sublime and godlike

motive which human nature is even capable of conceiving (Smith, 1759:311). Adam Smith (1759:311) therefore asserts that in the pursuance of our self-interest motivated actions, whether we are motivated by basic desires to perpetuate and prosper, or to ensure that our estate and dignity are not harmed, whatever the cause of motive ought to be, one has to solely act from the regard to what is right and fit to be done and from the regard to what is the proper object of esteem and approbation, by which the love of virtue is regarded as the noblest and the best passion in human nature. By so doing a person act from the most sublime and godlike motive which human nature is even capable of conceiving. From the above, I therefore conclude that Adam Smith's moral and ethical sentiments that are underlying the *classical exchange model* is not solipsistic, though it advances the human right to act within certain prescribes according to a person's self-interest, desires, passions and aversions. This is a natural disposition of humans.

6.9.4 THERE EXISTS IN THE MIND OF EVERYMAN AN IDEA OF THE EXACT RULES OF PERFECT PROPRIETY

Adam Smith (1759:137), in his account of the influence of conscience on human behaviour and preferences, raised the following question: "When our passive feelings are almost so sordid and so selfish, how come it that our active principles should often be so generous and so noble." Adam Smith also posed the question in a different way that narrows the focus of the attention that it deserved. "When we are," wrote Adam Smith (1759:137), "always so much deeply affected by whatever concerns ourselves than whatever concerns other men, what is it that prompt the generous, on all occasions, to sacrifice their own interest to the greater interest of others?" Adam Smith's (1759:137) answer to the question posed, goes to show, his own appreciation of human conscience – its influence and authority.

As the section of "The influence and authority of human conscience" has not been included in the 1759 draft of "*The Theory of Moral Sentiments*", it goes to show how Adam Smith's own ethical and moral views have advanced since the first edition. In the first edition, Adam Smith considered conscience as a product of social relationships and therefore of public opinion (Raphael & Macfie, 1982:15). By the time, Adam Smith came to revise his "spectator theory" for Edition 6, Adam Smith had become sceptical of popular opinion as the source of conscience (Raphael & Macfie, 1982:16). In Edition 6, Adam Smith made a clear distinction between the jurisdiction of the faculty of reason as the source of people's immediate judgement of human behaviour and preferences in the first instance and the tribunal of their own conscience as the supposed impartial spectator. The jurisdiction of reason and conscience, as I have already alluded to, are founded on the principles which, though in some respects are the same, are in reality, different and distinct (Smith, 1759:130). Adam Smith maintains the distinction in the other parts of the new material added to Edition 6, especially when Adam Smith (1759:131) made the distinction between,

humans connection with mortality and the divine part of human origin. To contextualize these distinctions, I wish once more to cite this following reference as contained in Edition 6:

When his judgements are steady and firmly directed by the sense of praise-worthiness and blame-worthiness, he seems to act suitably to his divine extraction. But when he suffers himself to be astonished and confounded by the judgement of ignorant and weak man, he discovers his connection with mortality and appear to act suitably, rather to the *human*, than to the *divine* part of his origin [own emphasis].

By this assertion, Adam Smith acknowledges human duality. Let me now revert back to the original question of Adam Smith as articulated. Taking into consideration the distinction between human reason being people's connection with mortality and human conscience – being his divine extraction, let us reflect on Adam Smith's answer to his self-posed question. Adam Smith (1759:137):

It is not the soft power of humanity, it is not that feeble spark of benevolence which nature has lighted up in the human heart, that is thus capable of counteracting the strongest impulses of self-love. It is a stronger power, a more forcible motive, which exerts itself upon many occasions. It is reason, principle, conscience, the inhabitant of the breast, the man within, the great judge and arbiter of our conduct. It is he who, whenever we are about to act as to affect the happiness of others, calls to us, with a voice capable of astonishing the most presumptuous of our passions, that we are but one of the multitude, in no respect better than any other....

By this answer, Adam Smith (1759:137) asserts that human reason and the principles deduced from multiple interactive human actions, guide and shape human behaviour and preferences, yet the essence of human mortality and the connection thereto, has the effect that we act from a degree of ignorance and lack of comprehension. However, human conscience – the divine extraction of humans, the voice within, *The Impartial Spectator* [Adam Smith's philosophical construct to explain the nature and source of human conscience] bring steadiness and fairness to human behaviour and preferences by shaping and guiding our behaviour and preferences to become less sordid and selfish but rather generous and noble. According to Adam Smith's moral sentiments, there exist therefore in the mind of every person, an idea of the exact propriety and what is required for perfection. This is gradually formed according to Adam Smith (1759:242) from his observation of the character and conduct both of himself and other people. It is according to Adam Smith the slow, gradual and progressive work of the great demigod within the breast, the

great judge and arbiter of conduct – *The Impartial Spectator*. This idea wrote Adam Smith (1759:247)

is in every man more or less accurately drawn, its colouring is more or less just, its outline is more or less exactly designed, according to the legacy and the acuteness of that sensibility, with which those observations were made and according to the care and attention employed in making them.

The wise and virtuous person according to Adam Smith, study this idea more than the other people, he comprehends it more distinctly and is able to form a much more correct image, what is not excessive and suitable to the time, place, age or situation. In fact, he is so much more deeply enamoured of the exquisite and divine beauty of the character and conduct that assimilate exact propriety and perfection. He, the wise and virtuous according to Adam Smith's ethical views, therefore endeavours to assimilate his own character and conduct to this archetype of perfection (Smith, 1759:247). But he "imitates the work of a divine artist, which can never be equalled. He feels the imperfect success of all his best endeavours and sees, with grief and affection, in how many different features the mortal copy falls short of the immortal original" (Smith, 1759:247).

Adam Smith then continues to observe that the wise and virtuous person, remembers, with concern and humiliation, how often, from want of attention, from want of judgement, from want of temper, he has, both in words and actions, both in conduct and conversation, violated the exact rules of perfect propriety and has so far departed from the image, according to which he wished to fashion his own character and conduct (Smith, 1759:248).

Accordingly, in Adam Smith's account of the character of the individual, as far as it can affect his own and the happiness of other people, he often uses adjectives that identifies and describes the *correct* quality of mind or disposition of those individuals who act more often than not in terms of the exact rules of perfect propriety. Firstly, he regards tolerably reasonable people (Smith, 1759:224) to be naturally more disposed to frequently feel towards one another as if they are really brothers. Secondly, Adam Smith (1759:223) asserts that among well-disposed people the necessity or convenience of mutual accommodation, very frequently produces a friendship, not unlike that which takes place among those who are born to live in the same family. Thirdly, it is only with the dutiful and virtuous (Smith, 1759:221) that the general rule, that persons related to one another in a certain degree, ought always to affect towards one another in a certain manner. Fourthly, it is the innocent and just person – a character which when carried to a certain delicacy of attention is always highly respectable and even venerable (Smith, 1759:218) – that has sacred and religious regard not to hurt or disturb in any respect the happiness of their neighbour. Finally, Adam Smith (1759:224) observed that

the person who associates chiefly with the wise and the virtuous, though the person may not become either wise or virtuous, cannot help conceiving a certain respect at least for wisdom and virtue and the person who associates chiefly with the profligate and dissolute, though the person may not become profligate and dissolute, must soon loose, at least, all original abhorrence of profligacy and dissolution of manners.

Taking into consideration Adam Smith's reference to the human connection with mortality as manifesting in human reasoning as the basis of moral judgement and divine extraction as manifested through human conscience, one may infer that Adam Smith's philosophical construct of *The Impartial Spectator* points out the divine extraction of human character and dispositions. It therefore implies that human behaviour and preferences are not entirely shaped and guided by human instinct or human reasoning, but also from a standard outside of immediate human comprehension. This standard or conscience transcends human mortality. By this inference one may deduce that Adam Smith follows a transcendental argument, which by implication suggest that Adam Smith's ethical sentiments are not founded on human relativity but rather on universal goodness that transcend human comprehension.

As such there are some standards outside the desires, passions and aversions by which human behaviour and preferences ought to be measured. From a different perspective, this reality of human beings by implication suggest that human behaviour and preferences are shaped and guided not purely from the anticipated outcome, naturally disposed by people's desires, passions and aversions, but are also determined by rules that resonate beyond or transcend their immediate disposition. From this perspective, the ethical and moral principles of human behaviour and the judgement founded on it, are essentially related to human instinctive conduct as influences by culture, society, historical context and prevailing conditions and therefore relative to some degree but are also in some degree and extent absolute and beyond human dictate.

6.9.5 IN EXECUTING MAN'S MORAL AND ETHICAL DUTY HE SUBORDINATE HIS PRIVATE INTEREST TO THE PUBLIC GOOD

The Stoics founder, Zeno, made a profound point that the virtuous person enters into the sentiments of that divine Being and consider the person itself as an atom, a particle, of an immense and infinite system, which must and ought to be disposed of, according to the convenience of the whole (Smith, 1759:276).

It therefore follows, according to Zeno, that the virtuous person's happiness consist altogether, first, in the contemplation of the happiness and perfection of the great system of the universe, of the good government of the great republic of God and humankind, of all rational and sensible beings and secondly, in discharging a person's duty, in acting properly in the affairs of the great

republic whatever little part that wisdom had assigned to the person (Smith, 1759:277). For this reason, the virtuous person accepts with equal joy and satisfaction, whatever fortune can befall the person. Riches or poverty, pleasure or pain, health or sickness, all is alike. Nor is the virtuous person demanding that God should in any respect change the person's destination (Smith, 1759:277). Following on this philosophical drift by the Stoics, the affections of the virtuous person are all absorbed and swallowed up in two great affections, namely, in the discharge of his duty and in that for the greatest possible happiness of all rational and sensible beings (Smith, 1759:277)

In attainment of these two principal affections, the virtuous person, according to the Stoics, rely as security on the wisdom and power of the great Superintendent of the universe (Smith, 1759:277). Because the virtuous person relies on the security of the great Superintendent of the universe for power and wisdom, the propriety of a person's actions and the rules which God had given for the discretion of the person's conduct, require of the person to choose and reject events of happiness or other affections not because the person regard the one as in themselves in any respect better than the other, or thought that the person's own happiness would be more complete in what is called the fortunate, than in what is regarded as the distressful situation. The person's only concern would rather be the discharge of the person's own duty and in that for the greatest possible happiness of all rational and sensible beings (Smith, 1759:277).

Adam Smith's own ethical views are not vastly different from this of the Stoics, however, there is indeed a nuanced or dimensional difference. Firstly, in the previous Section [6.9.4] I concluded that Adam Smith's moral sentiments suggest that a person ought to act solely from the regard to what is right and is to be done and from the regard to what is the proper object of esteem and approbation, by which the love of virtue is regarded as the noblest and the best passion in human nature. In pursuance thereof, a person, according to Adam Smith (1759:311) act from the most sublime and godlike motive which human nature is even capable of conceiving. Adam Smith (1759:170) asserts that the rules which determine the merit and demerit of our behaviour and preferences have to be regarded as laws of, what Adam Smith called the All-Powerful Being. Because the *All-Powerful Being, watches over our conduct, those general rules acquire a new sacredness from this consideration* [own emphasis]. It is therefore for this reason, argues Adam Smith (1759:170) that our regard for their sacredness, will cause all those who believes in the existence of the God, not to be disobedient to the general rules. The disobedience is the most shocking in propriety, according to Adam Smith (1759:170). We may therefore conclude that Adam Smith's (1759:311) ethical and moral sentiments like those of the Stoics are rather duty-centred and as such concur with the Stoic doctrine that the first principle of human behaviour should be the discharge of one's duty as the most sublime and godlike motive which human nature is even capable of conceiving.

Secondly, with regards to the second principal affection, being that of the greatest possible happiness of all rational and sensible beings, Adam Smith's (1759:277) own moral sentiments are similar in content. Adam Smith also accentuate the natural human disposition for the greatest possible happiness. However, where Adam Smith (1759:292) differs is in his view that a person is rather occupied with these events and affections that have an immediate effect on the person self, the person's friends and country. Events which interest us the most and which chiefly excite our desires and aversions, our hopes and fears, our joys and sorrows and which immediately affect that little department in which we ourselves have little management and direction, are those events that excite our attention.

Adam Smith (1759:292) therefore holds the view that a person's duty is to interest oneself earnestly and anxiously in no event, external to the good order of a person's own mind, to the propriety of a person's choice and aversions and those events, where we neither have nor ought to have any sort of management or direction, the department of the great Superintendent of the universe. Adam Smith (1759:293) argues that the causes which naturally excite human desires and aversions, hopes and sorrows, would no doubt, notwithstanding all reasoning of Stoicism, produce on each individual, according to the degree of the person's actual sensibility, their proper and necessary effects. As such nature has prescribed to us the proper business and occupation of our lives (Smith, 1759:293).

Adam Smith therefore differ from the Stoics, that a person's happiness consists altogether, first, in the contemplation of the great happiness and perfection of the great system of the universe, of the good government of the great republic and secondly, in discharging a person's duty, in acting properly in the affairs of this great republic. To a person, Adam Smith (1759:237) asserts is allotted a much humbler department, that is much more suitable to the weakness of the person's powers and to the narrowness of the person's comprehension. According to Adam Smith (1759:237), it is a person's duty to care for the person's own happiness of that of the person's family, friends and country.

However, because the virtuous person is habitually and thoroughly convinced of the universal benevolence of God's providence, the person is at all times willing that the person's own private interest should be sacrificed to the public interest of the person's own particular order or society. The person is therefore, in executing the person's moral and ethical duty,

equally willing that all the subordinate interest should be sacrificed to the greater interest of the universe, to the interest of that great society of all sensible and intelligent beings, of which God himself is the immediate administrator and director (Smith, 1759:235).

As such, Adam Smith, like the Stoics, advance a duty-centred ethical paradigm that subordinate private interest to the public good and greater interest of the universe, as directed by God as the immediate administrator thereof.

6.9.6 INTRINSIC GOOD ACTIONS ARE ALWAYS GOOD IN AND OF THEMSELVES

In Adam Smith's account of the *influence and authority of conscience*, Adam Smith (1759:160) refers to the sensibility, conscience or concurring sentiments that are antecedent to the formation of the rules of morality. These rules of morality are ultimately founded on experiences of what, in particular instances, our moral faculties, our sense of merit and propriety approve, or disapprove of. Though the rules of morality are founded on experiences, a person has a concurring sentiment manifesting as human conscience, that are antecedent to the formation of general rules and impartial to the circumstances on which the general rule is established. According to Adam Smith's (1759:162-163) ethics, these sensibilities or concurring sensibilities, are first impressed by nature and afterwards confirmed by reasoning, philosophy and religion and observed by the virtuously educated. Though these concurring sensibilities, as original anticipations of nature, are ultimately confirmed by reasoning and philosophy and our moral sense of duty are founded on them, the *Author of Nature, God – The All-Wise* did not leave it dependent, according to Adam Smith, on the slowness and uncertainty of human reasoning and philosophical doctrines, to instil in our conscience, these rules that cannot be doubted, to be given to us, for the direction of our conduct in this life. These

rules carry along with them the most evident badges of this authority, which denote that they were set up within us to be supreme arbiters of all our actions, to superintendent all our sense, passions and appetites and to judge how far each of them was either to be indulged or restrained (Smith, 1759:165). Our moral faculties are therefore indeed of a peculiar nature and bestow censure or applause on all the other principles of our nature (Smith, 1759:165).

Adam Smith (1759:165) is therefore of the opinion that since these antecedent and concurring sentiments, were plainly intended to be the governing principles of human nature, the rules which they prescribe are to be regarded as the commands and laws of God, promulgated by those *vicegerents* which have been set up within us [own emphasis]. These rules are therefore not relative and subject to human arbitration, but rather universal and absolute in disposition. These rules are therefore founded on the universal goodness of God, the Author of Nature and as such, all intrinsic motives and actions are always good in and of themselves.

From this account of Adam Smith's underlying ethical and moral sentiments, read in conjunction with his philosophical construct of *The Impartial Spectator*, one may deduce that Adam Smith's

ethics are also founded on absolute rules that are sacred and that situational factors do not fill these absolute rules with content and thereby determine what one ought to do. In this context, one may interpret that the situational factors merely help one discover which absolute rules of God is applicable to that particular case. (Geisler, 1989:106). Under these circumstances, something is not right or wrong because “existential particularities” (Geisler, 1989:106) of the situation determine it. Something is right or wrong because God has declared it so (Geisler, 1989:106).

This is most evident in Adam Smith’s account of those systems which make virtue consist in prudence. Here Adam Smith takes a very strong stance against the assertion by Epicurus, that virtues were not desirable on its own account. Epicurus maintained that virtues, even though it may cause a careful and laborious and circumspect state of mind cannot be agreeable for its own sake, but on the greatest good and to keep off the greatest evils (Smith, 1759:267). According to Adam Smith (1759:298), “by the wise contrivance of the Author of Nature, virtue is in all ordinary occasions, even with regard to this life, real wisdom and the surest and readiest means of obtaining both safety and advantage.” Since the practice of virtue, wrote Adam Smith (1759:298) therefore, is in general so advantageous and that of vice so contrary to our interest, the consideration of those opposite tendencies undoubtedly stamps an additional beauty and propriety on one and a new deformity and impropriety on the other. Adam Smith (1759:298-9) therefore maintains that temperance, magnanimity, justice and beneficence is approved, not only under their proper character, but under the additional character of the highest wisdom and most real prudence.

In Adam Smith’s typical practical style, he cites a paraphrase by Socrates to articulate the elegance and beauty of virtue: “Do you desire” quote Adam Smith from Socrates (cited by Smith, 1759:298) the reputation of a good musician? The only way of obtaining it, is to become a good musician. Adam Smith then proceed to emphasize the thinking of Socrates that virtues ought to be practical because virtues are:

- In general, so advantageous
- Beneficial and in one’s interest
- Indeed, beautiful and possess propriety
- An expression of the highest wisdom and most real prudence (here Adam Smith (1759:298) refers to the nature of the Author of Nature.

In his examination of the virtue of self-command, Adam Smith (1759:238) in arguing the importance of self-command asserts therefore that the virtue of self-command excites some degree and admiration because of the strength and greatness of the exertion and having command over one’s passions. But on the other hand, Adam Smith (1759:238) argues that the uniformity, the equality and unremitting steadiness of the exertion and the degree of control, have

its own beauty. Adam Smith (1759:264) accordingly observed that in all the other virtues of self-command, the splendid and dazzling quality seems always to be the greatness and steadiness of the exertion and the keen sense of propriety which is necessary to make and to maintain that exertion. It is therefore the gentler exertion of self-command that the act of temperance, decency, modesty and moderation cause unremitting steadiness in individual behaviour and preferences (Smith, 1759:242). We shall therefore find, wrote Adam Smith (1759:166) that notwithstanding the disorder in which all things appear to be in this world, yet even here every virtue naturally meets with its proper reward, with the recompense which is most fit to encourage and promote it and this too so surely, that it requires a very extraordinary concurrence of circumstances entirely to disappoint it.

This account of Adam Smith's ethical thinking suggests therefore that intrinsic good actions such as the virtues of temperance, magnanimity, justice and beneficence that are founded on the moral rules that God has established, will bring about the best results. It further suggests that Adam Smith's ethical and moral sentiments consider the possible results of human behaviour and preferences but acknowledge that the best results flow from the best rules of the all-wise Being and not the other way around.

6.9.7 TRUST IN THE PROVIDENCE OF GOD

In his account of universal benevolence, Adam Smith (1759:235) clearly articulates that all inhabitants of the universe, the meanest and the greatest, are under the immediate care and protection of the great, benevolent and all-wise Being. It is this universal benevolence, as I have already alluded to in the discussion of the categorical imperative of Adam Smith's ethical views, that cause human beings to stand in a sympathetic and symbiotic relationship with other beings. The idea (Smith, 1759:235) that the mischievous, though sensible being, naturally provokes our hatred and ill will is really the effect of our universal benevolence. It is indeed the effect of the sympathy which we feel with the misery and resentment of these innocent and sensible beings, whose happiness is disturbed by the malice (Smith, 1759:235). It is also the effect of this universal benevolence, that we embrace the immensity of the universe and accordingly desire the happiness of all innocent and sensible beings and whose misery, when distinctly brought home to our imagination we have a degree of aversion to (Smith, 1759:235).

This universal benevolence arises or is awakened in the mind of each person who is thoroughly convinced that all the inhabitants of the universe, the meanest and the greatest, are under the immediate care and protection of the great, benevolent and all-wise Being. According to Adam Smith (1759:235), it is God [Adam Smith used the name "God" in reference to the all-wise Being] who takes care and protect all and who directs all the movements of nature and who is determined, by his own unalterable perfections, to maintain in it, all times, the greatest possible

quantity of happiness. It is indeed the splendour of this highest prosperity that brings the greatest happiness and joy and springs from the habitual and thorough conviction of the Providence of God. But those that have a suspicion of a fatherless world and are consumed by the melancholiest of all reflections, wrote Adam Smith (1759:235) and carry with them the thought that all the unknown regions of infinite and incomprehensible space that may be filled with nothing but endless misery and wretchedness, will never be enlightened by the highest prosperity.

It is according to Adam Smith, God, who is determined by his own unalterable perfection, benevolence and wisdom, who from all eternity, contrived and conducted the immense machine of the universe, so as at all times to produce the greatest possible quantity of happiness (Smith, 1759:236). It is God, according to Adam Smith, that maintain the universe and by so doing naturally endow humans with a desire of the welfare and preservation of society. In order to achieve the ends of nature, if such an expression according to Adam Smith (1759:77) is allowable, the Author of Nature has not entrusted it to human reason to find out the proper means of attaining this end; but has endowed humans with an immediate and instinctive approbation of that very application which is most proper to attain it. With regards to all those ends, according to Adam Smith (1759:77), which, on account of their peculiar importance, are the favourite ends of nature, God through nature is constantly in this manner not only endowed humankind with an appetite for the ends which God proposes, but likewise with an appetite for the means by which alone this end can be brought about, for their own sake and independent of their tendency to produce it.

But though we are in this manner endowed with a very strong desire of those ends, wrote Adam Smith (1759:77), it has not been entrusted to the slow and uncertain determinations of our reason, to find out the proper means of bringing them about. Nature, according to Adam Smith (1759:77) has directed us to the greater part of those ends by our original and immediate instincts. Hunger, thirst, the passion which unites the two sexes, the love of pleasure and the dread of pain, prompt us, according to Adam Smith (1759:178) to apply those means for their own sake and without any consideration of their tendency to those beneficent ends which the great Director of nature intended to produce by them.

To direct the immediate instincts of nature to the intended ends that God intend to produce, humans are also endowed with a moral sense or conscience that are promulgated by the vicegerent which has been set up within humans (Smith, 1759:165). By this vicegerent, minimum conditions of behaviour are set up within us and society to unmasked vanity, selfishness and rapacity and reward prudence, beneficence, justice and self-command. By these virtues and moral sentiments, human behaviour and preferences are shaped and directed by principles so deep in human nature that all people feel them to some degree, without anybody, preachers included, having to tell them how to behave (Kennedy, 2008:51). Since these principles therefore, wrote Adam Smith (1759:165) are plainly intended to be the governing principles of human nature

(also by implication economic behaviour and preferences of individuals and ultimately society), the rules which they prescribe are to be regarded as the commands and laws of God, that are promulgated by those vicegerents which God has set up within us. All general rules are therefore commonly denominated laws. Those rules which our moral faculties observe, according to Adam Smith (1759:166-167), in approving or condemning whatever sentiment or action may much more justly be denominated as laws. They, according to Adam Smith (1759:166-167), have much greater resemblance to what are properly called laws, as these laws are laid down by God to direct the conduct of God's subjects. Accordingly, I have deduced that Adam Smith's ethical views and moral sentiments shows trust in God's providence and is based in a God who is in absolute control. I also have deduced that Adam Smith's ethical views are based in a God who can be trusted absolutely. Accordingly, the ethical views and moral sentiments of Adam Smith are therefore reliant on the ethical and moral principles which he observed could be properly called laws, as these rules are laid down by God to direct the conduct of His subjects to the intended end that God proposes.

Do we know the outcome, and do we know how it will come to bare? The answer Adam Smith (1759:235) offers in this regard is articulated in his account of universal benevolence, when he wrote:

..... that all the inhabitants of the universe, the meanest as well as the greatest are under the immediate care and protection of that great, benevolent and all-wise Being, who directs all, the movements of nature and who is determined, by his own unalterable perfection, to maintain in it, at all times the greatest possible quantity of happiness.

Accordingly, Adam Smith (1759:237) asserts that "the administration of the great system of the universe.... the care of the universal happiness of all rational and sensible beings, is the business of God and not of man."

What Adam Smith asserted to is that:

- the absolutely good, wise and benevolent God, the Author of Nature, is determined by his own unalterable perfection to bring about the greatest universal happiness of all rational and sensible beings;
- since only an omniscient God can know what will bring the greatest universal happiness, only God is in a position to determine the right way to bring about the best results;
- that God is determined to direct all the movements of nature and, by his own unalterable perfections will maintain and administer the great system of the universe in an absolute, unaltered way, without being arbitrary, relative, expedient and circumstantial;

- though God grant us the freedom to be ourselves according to the “vicegerent” within each of us, we cannot literally each do our own thing as this would cause chaos and not bring the universal happiness that God intends. For this reason, human freedom to choose needs a context and structure. This is why God through human conscience and natural law lay down the necessary laws to structure our behaviour and preference.

Taking into consideration Adam Smith’s practical approach to life and all the challenges, what Adam Smith would say to our generation today, is that God’s sovereign will is ultimate, and that God’s will be good in accordance with his own unchangeable good nature and unalterable perfections. We have to anchor our moral duties and ethical principles and norms of behaviour in the unchanging character of God and His sovereign will. Accordingly, we should leave the long-range results to God’s unaltered perfection because His benevolence and wisdom would bring about the greatest universal happiness. However, Adam Smith (1759:237) will most probably reiterate his proviso in this regard, that this is the business of God and not man.

To humans are allotted a much humbler department. Adam Smith (1759:237) would probably assert a department much more suitable to the weakness of human power and to the narrowness of human comprehension. Therefore a person ought to:

take care of his own happiness, of that of his family, his friends, his country.

Though, according to Adam Smith (1759:237) the contemplation of the prosperity of the universe is more sublime, it can never be an excuse for his neglecting the humbler department. In attainment, thereof, humans ought to be mindful to be virtuous at all times, wise and of good moral judgement as the universal happiness that the great system of the universe brings about is indeed for rational and sensible beings. It is indeed God’s business to do that. But those according to Adam Smith (1759:235), that occupies their minds with the contrary system that is founded on their suspicion of a fatherless world, from the thought that the unknown regions of infinite and incomprehensible space may be filled with nothing but endless misery and wretchedness, are engaged in the most melancholy of all reflections and the splendour of the highest prosperity can and will never enlighten the gloom with which such a dreadful idea and contemplation accompany (Smith, 1759:235).

6.9.8 UNIVERSAL GOOD IS FOUNDED IN THE UNALTERABLE PERFECTIONS OF GOD

For centuries philosophers (Geisler, 1989:116) have debated over what is the universal good and the basis of ethical action. Different views about the basis of what is good and right have merged over the ages. These views have been and still are applied according to their respective proponents to various ethical theories and theories such as Adam Smith’s *classical exchange*

model, have been assessed and evaluated accordingly. According to Geisler (1989:116-121), a distinguished Professor of Theology and Apologetics at Veritas Evangelical Seminary, the following different views about the basis of what is good and morally right, may be identified:

- Might is Right: - In this view justice is the interest of the stronger party.
- Moral and Mores: - Good and right is determined by the group to which one belongs.
- An individual person is the Measure: - If taken in an individual sense, the right is measured by an individual's will.
- Race is Right: - Neither the individual nor individual communities are the ultimate arbiters of what is right, rather, the whole human race is the final court of appeals.
- Right is Moderation: - The meaning of right is found in the path of moderation.
- There is no right: - Those of this view, simply deny that anything is right or wrong.
- Right is what brings pleasure: - What brings pleasure is right and what brings pain is wrong.
- Right is the greatest good for the race: - Right is what brings the greatest good for the greatest number of persons (in the long run).
- Good is what is desired for its own: - Good should never be desired as a means but only as an end.
- Good is indefinable: - Good is an unanalysable and indefinable concept.

I have decided to briefly list these different views [for a more insightful account refer to Geisler, 1989:116-121] because this is the quickest and most effective way to analyse what is considered good and morally right, or not, in terms of Adam Smith's moral and ethical sentiments underlying his *classical exchange model*. There are indeed many views in this regard, the analysis of which falls outside the scope of the thesis. Suffice to say, from my own analysis, not one of these views that are briefly articulated above, comprehensively, in fact not even remotely, articulate what Adam Smith's own ethical and moral sentiments are in this regard.

I now attempt to give a very concise account of Adam Smith's ethical views with regards what is the basis of universal goodness and moral and ethical standard of right behaviour and judgement. Firstly, the world is not in a state of flux. Adam Smith's (1759:237) ethical imperative is that God, the Author of Nature is determined by his own unalterable perfections to direct all the movements of nature; maintain in it and administer accordingly, the great system of the universe at all times the greatest possible quantity of universal happiness of all rational and sensible beings. By this assertion is implied that "notwithstanding the disorder in which all things appear to be in the world, every virtue and every good act naturally meets with its proper reward, with the recompense which is most fit to encourage the great ends which God proposed in the formation of humans" (Smith, 1759:166-7). By implication, God is and remain in control at all times as He is determined by his unaltered perfections to maintain and care for the universal happiness of all rational and sensible

beings (Smith, 1759:237). Since God endowed mankind with a desire of these ends (Smith, 1759:77) and an aversion to the contrary and with an immediate and instinctive approbation of that very application of the means most proper to attain it (Smith, 1759:77), it follows, that God will, at all times, according to God's unaltered perfections of wisdom and benevolence, never direct man contrary to his unaltered perfections and unchanging moral character. Since God's character is absolute and God's perfections unaltered, it follows that the laws that God set for human conduct and as the basis for moral judgement are absolute, universal and applies at all times and to all beings. Accordingly, Adam Smith asserts, that the rules of virtue as the basis of our moral conduct, have to be followed for its own sake, as all intrinsic good actions are always good in and of themselves. As such, in Adam Smith's views, the universal goodness and unaltered perfections of God, the absolute Moral Prescriber, is the measure of human conduct and accordingly humans are not the measure of what is good. Therefore, though a person may be deceived by the utilitarian calculus of good, a person cannot will a person's own good and simply determine from a person's own calculation of utility and results what is right. Though some attempt same, it does not mean it is right. But having said that, it does not imply that a person has to suspend judgement as a person consider the results. All that is implied, is that there is a standard outside the desires by which they are measured. There are indeed absolute and objective standards, guides and norms for the decisions which we make and the nature of our behaviour. The means to achieve our expectation therefore do not set our standard of conduct, but rather our expectations and the means to attain it, can be judged good or otherwise by the objective standard of God's unaltered perfections of wisdom and benevolence. There is therefore a universal good that is common to all acts. The rules that God set before us, therefore from a human perspective, determine the results and we ought to follow the rules regardless of the outcome. These rules of conduct that Adam Smith refer to as the "Laws of the Deity" ought to be the basis of our behaviour and preferences and the latter ought not be set by our human calculus of the benefits or results. As such, results do not determine what is right. Adam Smith (1759:236), in his ethical and moral views therefore follow a transcendental argument and profess God's transcendent good nature that is the basis or rationale from all eternity to contrive and conduct the immense machine of the universe, so at all times to produce the greatest possible quantity of happiness (Smith, 1759:236). God's sovereign will is therefore ultimate. And "by the wise contrivance of the Author of Nature, virtue is upon all ordinary occasions even with regards to this life" wrote Adam Smith (1759:298) "real wisdom and the surest and readiest means of obtaining both safety and advantage". Adam Smith therefore maintained, that

temperance, magnanimity, justice and beneficence, come thus to be approved of, not only under their proper character but under the additional character of the highest wisdom and most real prudence. And in the same manner, the contrary vices of in temperance, pusillanimity, injustice and malevolence and sordid selfishness, came to

be disapproved of, not only under their proper character but under the additional character of the most short-sighted folly and weakness (Smith, 1759:298-9).

By implication, the beauty and elegance of virtue is not primarily because of its utility, but rather applied wisdom to maintain the greatest degree of happiness and tranquillity. In his examination of the account of self-love as the basis of judgement by Hobbes and his followers, like Puffendorff and Mandeville, Adam Smith (1759:316) therefore took exception to their notion that the beauty of virtue is derived from utility.

This brings me to two associated questions. Firstly, is something right because God wills it, as asserted by Voluntarists and secondly, does God will it, because it is right as the Essentialist argue. According to Geisler (1989:121) “if one takes the voluntarism alternative, then it seems to make God arbitrary. If one takes the essentialism alternative, then God is acting according to a standard beyond himself.” This would contradict the transcendental argument that God is the Ultimate Good. From my understanding of Adam Smith’s ethical view in this regard, God will it to be good in accordance with his own unchangeable good nature and unalterable perfections. And therefore, God will not change what is good and evil arbitrarily but is determined by his own unalterable perfections, to maintain in nature at all times, the greatest possible quantity of happiness and direct all the movements in a manner that is the same and unchanged at all times. Good accordingly is therefore a basic category of its own, since only an omniscient God that transcend nature can know:

how to direct all the movements of nature ... to maintain in it, at all times the greatest possible quantity of happiness (Smith, 1759:235).

We ought therefore to have to submit our behaviour and preference to the standard outside the desires by which they are measured. A standard that is universally good, that is common to all good acts and the basis of universal happiness that God, through the administration of the great system of the universe is determined by His own unalterable perfection to maintain at all times (Smith, 1759:235). This resignation to the “will of the great Director of the Universe seem,” according to Adam Smith (1759:236) “not, in any respect beyond the reach of human nature.”

6.10 CONCLUSION

In this chapter, I have examined the basis of moral judgement. This examination followed onto the examination of the admirable traits or the virtues of prudence, beneficence, justice and self-command. In these two chapters, I have examined Adam Smit’s ethics and summarized my evaluation of his ethics in terms of eight principles or standards by which the ethical and moral views (theories) may be judged or decide on. The chapter on Virtues has articulated the admirable traits that Adam Smith recommend and the chapter dealing with moral judgement has concluded the basis of moral judgement. Both the recommended admirable traits and the principles of moral

judgement, when examined in terms of the eight standards by which ethic theories are evaluated, meet the underlying principles of deontological ethic theory and therefore could form a foundation from which we can move in formulating a global ethic-based on shared ethical values and that are founded in the Golden Rule of Humanity, which is the minimum ethical standard on which all ethical theories or views ought to be examined.

With this conclusion, the thesis will now take a different direction. In the chapter to follow, I examine the ethical and moral deficiencies in the current economic discourse. In this chapter I examine those events in history that have had a major influence on the general economic discourse that affected the efficacy of Adam Smith's ethics and his discourse. This would provide the basis from which I will launch my argument that a new ethical paradigm is required. This is dealt with at the end of this chapter and further examined in Chapter 8 that follows.

CHAPTER 7 ETHICAL AND MORAL DEFICIENCIES IN THE CURRENT ECONOMIC DISCOURSE

Chapter 4 examined the events leading up to Adam Smith's ethic and economic discourse as comprehensively articulated in his two seminal works. Thereafter the focus shifted in Chapters 5 and 6 to a quite comprehensive examination of the ethical and moral sentiments of Adam Smith. The ethical and moral sentiments underlying the economic thinking of Adam Smith are summarized in the closing part of Chapter 6.

The evaluation of *theoconomy* as a new ethical paradigm now takes a different direction. The question before us is: Do we need a new ethical paradigm? Or differently stated: Are the ethical and moral sentiments of Adam Smith, who is universally considered as the father of the market model, still the foundation of the economic model that so many societies have come to rely upon to organize and maintain their respective economic households, or have the rules changed over the years? The question therefore, that needs further investigation and ought to direct our attention, is whether the ethical and moral sentiments of Adam Smith's *classical exchange model*, as comprehensively articulated in *The Theory of Moral Sentiments* published in 1759, are still considered to be relevant in the modern age. In an effort to reflect on these relevant questions and to establish if a new ethical paradigm is indeed needed, I now proceed to examine three paradigm shifts. These epoch changing events have influenced the economic narrative and discourse over the last 300 years and more, in particular the relevance and affirmation of Adam Smith's ethical and moral sentiments. These epoch making occurrences caused fundamental ethical and moral deficiencies in the economic discourse in specific and the economy in general. I therefore identify and examine these ethical and moral deficiencies. This would bring us closer to the point whereby we can conclude whether a new ethical paradigm is needed (or not).

The three paradigms that are examined are:

- The Scottish Enlightenment
- Doctrine of positivism and
- Consumerism

Upon completion of the examination of these paradigm shifts, I examine the following ethical and moral deficiencies (Section 7.2):

- Demise of a teleological and ethical foundation
- Unconstrained Self-Interest Behaviour
- Existential Understanding of Wellbeing and Happiness
- Lack of Social Cooperativeness and
- Institutionalization of Wellbeing and Happiness.

These deficiencies are fundamental to the general efficacy of the economic household and are jointly and separately the cause that the economy is no longer embedded in the right ethical and social context. I therefore posit that a new ethical paradigm is needed to address the ethical and moral deficiencies.

7.1 PARADIGM SHIFTS IN THE GENERAL ECONOMIC DISCOURSE

Adam Smith's seminal works, *The Theory of Moral Sentiments* and *An Inquiry into the Nature and Causes of The Wealth of Nations*, were not written in isolation and are not devoid of immediate influences. The events and associated influences leading up to the publications of Adam Smith's work were examined in Chapter 3. The attention of focus now shifts to the influences or epoch changing events subsequent to the publication of these seminal works and then more specifically since the period of the Scottish Enlightenment, of which Adam Smith is considered a leading figure of considerable relevance and importance. To properly contextualize these influences, I have elected to briefly reflect on the events leading up to the Scottish Enlightenment period, as these events have had a major influence on the thinking at the time and would contextualize Adam Smith's own ethical, moral and economic discourse at the time. Perhaps more fundamentally, it would explain why his ethical and moral sentiments have been negated or misconstrued in favour of a much narrower narrative. A narrative which essentially only advance the precepts of what has become known as "utility-maximizing behaviour" which is founded upon the "rational pursuit of self-interest" (Cannan, 1976:xi)

The examination of the Scottish Enlightenment period is followed by the examination of two subsequent epoch-making events that resulted from the enlightenment period. They may be considered paradigm shifts that have had significant effects on the economic, ethical and moral narratives in the economic discourse in particular and the economy in general. These two subsequent paradigms are:

- Doctrine of positivism
- Consumerism

7.1.1 SCOTTISH ENLIGHTENMENT

Inspired by the scientific revolution of the 17th century, the philosophical thinkers and intellectuals of 18th century Europe introduced a comprehensive programme for the advancement and extension of knowledge in their commitment to promote human welfare and progression (Science in Scottish Enlightenment, n.d.). These programmes came to be known as the enlightenment and their age is often called the Age of Enlightenment (Science in Scottish enlightenment, n.d.). The enlightenment thinkers at the time produced few theories comparable with Copernicus's or Newton's in the prior century or with Darwin's in the subsequent. What makes these theories

memorable and insightful, is the vigour and confidence that these thinkers expressed, that the universe – from the orbits of the planets to the workings of the human society, are explicable, regular and law-like and will yield to the systematic application of rational and empirical scientific procedures (Science in Scottish Enlightenment, n.d.).

The enlightenment thinkers attempted to extend the realms of law-like regularities beyond the physical sciences into other fields of study, like biology, geology, medicine, psychology, politics and economics. For those thinkers, wherever knowledge was to be gained, was laudable, subject to the proviso that it had to be scientific, empirical knowledge. It was the only sort that counted (Science in Scottish Enlightenment, n.d.). For them, there was not to be any mystery. The unknown only signified that which had not yet been understood. These thinkers did not recognize any category of the unknowable. The most potent source of light to dispel the darkness of ignorance, blind authority and religion, was science (Science in Scottish Enlightenment, n.d.).

Science, as a concept and its purpose were neatly summed up at the time by the Aberdeen Philosophical Society or the so-called Wise Club (Science in Scottish Enlightenment, n.d.) that was established in 1750 [the same year that Adam Smith published *The Theory of Moral Sentiments*]. Science at the time, was meant to investigate every principle of science, which may be deduced by just and law-like inductions from the “Phaenomena”, either of the human mind or of the material world. Accordingly,

all observations and experiments that may furnish materials for such induction; the examination of false schemes of philosophy and false methods of philosophizing; the subservience of philosophy to arts, the principles they borrow from it and the means of carrying them out to their perfection,

were accordingly considered (Chitnus, 1976:200 cited by Science in Scottish Enlightenment, n.d.). These scientific endeavours and rigour of the European Enlightenment that were spearheaded by thinkers like Rousseau, Voltaire and Kant, were rivalled in Scotland. Following a century of relative turmoil in Scotland, an intellectual and philosophical movement that equalled and potentially even exceeded the whole Enlightenment in Europe at the time was born (Stewart, n.d.). This movement became known as the Scottish Enlightenment (Stewart, n.d.). It was a new era, a time where the greatest minds of Scotland “competed and discoursed” (Stewart, n.d.) with those in Europe.

Several occurrences at the time gave rise to the astonishing clusters of intellectuals (Science in Scottish Enlightenment, n.d.) and ideas that emerged. First, it was the Act of Union in 1707, when Scotland gave up its parliament and henceforth the government of the country shifted from Edinburgh to Westminster. This precipitated a crisis in Scottish identity. The main worry of 18th century Scots, particularly after 1745, was how the poor, backward and stagnant Scotland would

seem when thrown into a common market with England's world-class dynamic economy (Scottish Enlightenment, n.d.). The Glasgow merchants (the hometown of Adam Smith) welcomed the lifting of free trade with the colonies, but they also realized that they had nowhere near the experience, financing and political clout of their English counterpart. As the Agricultural and Industrial revolutions advanced in England, the Scottish gentry and peasantry alike wondered nervously about how much time they had left before English - style capitalism transformed the Scottish countryside into factories of corn and beef (Scottish Enlightenment, n.d.). The question on everybody's mind was whether Scotland would become prosperous like England or descend into dependent pauperism like Ireland. (Scottish Enlightenment, n.d.). They were also warned, how the *self-seeking* capitalist (Scottish Enlightenment, n.d.) ethics bode on the stern morals and traditional values of the Scottish people? These questions were foremost, not only on the mind of the general ordinary people, but also the Scottish philosophers of the 17th century. At the time, the Scottish intellectuals were quite unwilling to become identified with what they saw as a defeated out-mode national culture (Science in Scottish Enlightenment, n.d.).

Secondly, the Scottish church played a valuable role in stirring the enlightenment and the quest for knowledge. In particular, the legacy of the Scottish, Calvinist Reformation, instilled at the time the principle of critical scrutiny of Catholic traditions. More liberal members of the Scottish Church in particular felt this rational-critical impulse (Science in Scottish Enlightenment, n.d.). This was given typical expression by the Reverend William Wallace, a minister close to the pulse of Edinburgh University life. He preached in 1729, that there must be a:

hearkening to the voice of *sound reason* [own emphasis], the examining impartially both sides of the question, with a deposition always to adhere to the stronger side and to embrace the truth wherever it appears in spite of all prejudices of all opposition and authority of man (Cameron, 1982:123).

The tradition that Wallace represented grew steadily throughout the century and became in some circles political rhetoric. It made valuable contributions to the Enlightenment thinking.

At a more general level, the intensely pious Calvinist tradition may have flawed in unexpected worldly directions. Calvinist zeal may have been one of the ingredients in the development of Scottish industry and the economy in the 18th century (Science in Scottish Enlightenment, n.d.).

A leading Scotsman puts it this way:

The single-minded drive that is seen so often in business, farming and trade in the 18th century and which appeared in cultural matter in men as diverse as Adam Smith, James Watts and Sir Walter Scott, is strongly reminiscent of the energy of 17th century *elders in the kirk*

when they set about imposing discipline on the congregation. Calvinism thus seems to be released as a psychological force [own emphasis] for secular change just at the moment when it is losing power as a religion (Smout, 1969:92).

Another legacy from the Reformation in Scotland was a recognition of the need for education and by the beginning of the 18th century, five universities in four cities were established (Science in Scottish Enlightenment, n.d.). These universities became a powerful force in the Scottish Enlightenment. Though research and specialist teaching were held back by a system known as regenting, where individual regents taught every subject to undergraduates, the works of the great thinkers of the time, such as Newton, Copernicus, Galileo and Boyle found its way into the syllabus of Scottish universities (Science in Scottish Enlightenment, n.d.). A fourth influential force was the Scottish economy. The Scottish economy at the time was characterized by its mercantile openness as the economy was not locked into conservative social hierarchies that inhabited commercial ventures. Sons of lairds became merchants and merchants bought land (Science in Scottish Enlightenment, n.d.).

These influential and consequential forces (the unification with England, the church and especially the Reformation and the Calvinist influence), the inquisitiveness of the intellectuals and the merchants and the more open economic and vibrant economy, all gave impetus to the Scottish Enlightenment. In a larger sense, the Scottish Enlightenment started in 1726 when Francis Hutcheson [Adam Smith was a student of Hutcheson] published this seminal works *Inquiry into The Origin of our Ideas of Beauty and Virtue*. This enlightenment period followed through until the death of Adam Ferguson in 1816. In a narrower sense, this period is marked by the publication of “*A Treatise of Human Nature*” by David Hume in 1739/1740 and Adam Smith’s *An Inquiry into the Nature and Causes of The Wealth of Nations*, published in 1776. At the time, the intellectuals came to the fore to respond to the questions and concerns raised by the Scottish nation. As I have already alluded to, they were concerned about two fundamental issues, being:

- Would Scotland become prosperous like England or would it descend into dependent pauperism like Ireland? and
- They were also worried about the self-seeking capitalists and what their ethos boded for the stern morals and traditional values.

In their attempt to address these legitimate concerns, the intellectuals looked to their French counterparts for answers. France was then enjoying its Age of Enlightenment and soon enough, the intellectual fire spread to Scotland (Scottish Enlightenment, n.d.). Generally speaking, [I later on briefly reflect on specific philosophers], the Scottish intellectuals shared the humanist and rationalist outlook of the European Enlightenment, spearheaded by France at the time. (Scottish

Enlightenment, n.d.). The thinkers of the Scottish Enlightenment asserted the fundamental importance of human reason combined with the rejection of any authority that could not be justified by reason. They accordingly held an optimistic belief in the ability of man to effect changes for the *better in society and nature*, guided only by reason (Scottish Enlightenment, n.d.). Although sharing the French *speculative rationalist spirit*, the Scottish philosophers thinking was tempered with doses of scepticism and a more pronounced form of utilitarianism (Scottish Enlightenment, n.d.). Also, unlike the French, the Scottish thinkers were particularly concerned with economic growth and development. It was indeed this feature that gave the Scottish Enlightenment its special flavour. What also featured prominently in the Scottish Enlightenment was the focus on empiricism and practicality. The chief virtue that was upheld was the practical benefit for both the individual and society as a whole (Scottish Enlightenment, n.d.).

Ultimately and more fundamentally, the Scottish Enlightenment brought about a paradigm shift from religion into reason (Stewart, n.d.). This fundamental shift occurred due to the endeavours by multiple philosophers at the time to create an alternative method of setting disputes that avoided an appeal either to the naked power of the largest warring factions or to the English traditions of order and precedence. Though the philosophers argued over the solutions, the common notion at the time was the appeal to reason, arguments and evidence (Sutherland, n.d.). Four of the most influential thinkers that emerged in this period are – James Hutton, Thomas Reed, David Hume and Adam Smith (Scottish history.bbc.co.uk, n.d.). Of these three, David Hume blazed the way, with the other Scottish philosophers following him in support or in criticism (Scottish Enlightenment, n.d.). It is then Hume in particular that spearheaded the paradigm shift from religion into reason and who advanced the principle of positivism that still to this day resonate in the scientific and theoretical epistemology of especially economics as a social science [I return to this aspect in the part to follow].

James Hutton (1726-97) was a geologist. Hutton at the time questioned the antiquated account of Scottish history that were related back to the Garden of Eden, in particular Sir Thomas Urquhart who claimed they could trace their ancestry back through hundred and forty-three generations to Adam (Scottish history, n.d.).

This challenge of the current thinking at the time, has had vast theological implications. At the late 17th century, Christian theologians formed the belief that God had created the world in seven days at some point in the past. Their belief was derived from the examination of the Bible, that the date of the world creation could be pinpointed to 4004 BC (Scottish Enlightenment, n.d.). That belief was never questioned until James Hutton, a religious sceptic and geologist examined the rocks of Scotland. Hutton concluded from his examination that the natural forces has shaped the earth's surface, not over 6000 years but over millions of years (Scottish history.bbc.co.uk, n.d.). Hutton

published the results in his study in *A Theory of the Earth* in 1785. This study was literally groundbreaking and shattered the solid foundation of the Scottish Society.

In 1752, five years before Adam Smith set out his own ethical and moral thinking in *The Theory of Moral Sentiments*, Thomas Reid published his *Inquiry into the Human Mind upon Principles of Common Sense*. This groundbreaking work by Reid was the cause that mainstream Scottish philosophy became identified with the School of Common Sense (IASP, n.d.). In a sense the School of Common Sense was widely regarded as the single most effective answer to Hume (IASP, n.d.) and a way of defending the plain man against philosophy (IASP, n.d.).

Hume (1711- 1776) was a sceptic, a thinker who questioned everything and sought to explain the world without reference to a God (Scottish history, n.d.). He aimed to create a science of man, a new form of philosophy which took human nature as the basis and which used scientific methods to reach its conclusion (Scottish history.bbc.co.uk, n.d.). One of his principal areas of study was the human mind and in a way, he made a bold attempt to introduce scientific principle into moral subjects. However, Hume did not set out to uncover the original qualities or essence of the human mind (Scottish history.bbc.co.uk, n.d.). Morality, for Hume was not a *God*-given creation, but rather a human construct founded on reason or human sentiment. Hume therefore argued that people use a rational form for discussion to reach their conclusions and therefore show strong evidence that morality is founded on reason. However, the fact that people have various feelings of approval or disapproval about their actions shows that sentiment is also part of the human condition. Accordingly, the connection and interrelatedness between reason and sentiment was for Hume, the essence of morality (Scottish history.bbc.co.uk, n.d.). Sentiment is therefore essentially a practical force that moves us to act in certain ways. Reason by itself and on its own, although useful for discussing morality, can never on its own impel us to act. Hume therefore believed that the two ought to act in unison to make moral judgement, for reason is and ought only to be the slave of the passions and can never pretend to any office than to serve and obey them (Scottish history.bbc.co.uk, n.d.). Hume concluded that we are fundamentally driven by our passions, by our sentiments, which in turn shapes our reason. Taking cognisance of the full corpus of Hume's seminal work *A Treatise of Human Nature*, morality is therefore instrumental in the attainment of human happiness. Accordingly, if we have affections for humankind, then we seek its happiness and are considered benevolent. Benevolence to humanity focus therefore the basis of our morality, which is further reinforced by our reason as it pursues happiness. For Hume humanity was essentially benevolent and not fallen or sinful as the church taught (Scottish history.bbc.co.uk, n.d.). These pronouncements of Hume, as articulated in his philosophical and moral doctrine, paved the way for the acceptance of the humanist and rationalistic outlook and his empiricism and positivism that are underlying his philosophical doctrines. Together with the endeavours of James Hutton and Thomas Reid, Hume lead the way to ultimately bring about a paradigm shift from the general religious outlook into reason as the basis of judgement.

Among the contemporary thinkers of Adam Smith, Hume had the greatest influence on the formation of Adam Smith's ethical thinking (Raphael & Macfie, 1982:10). While Hume and Hutcheson agreed that benevolence is a motive natural to humans and that it naturally evokes approval (Raphael & Macfie, 1982:12), habitual sympathy is central in Smith's account and in itself more complex than Hume's concept. There were also sharper differences between the two philosophers on justice and the place of utility in moral judgement (Raphael & Macfie, 1982:13). Although Hume distinguished justice from benevolence, he connected both with utility. Smith's explanation of justice is on the other hand built in the first instance on habitual sympathy and the universal benevolence that cause universal resentment for harm and universal's happiness. Adam Smith also continually insists that considerations of utility are the last, not the first determinants of moral judgement (Raphael & Macfie, 1982:13). It is then perhaps these sharpened distinctions that set the two thinkers apart. While Hume was at the forefront of the paradigm shift from religion to reason and the advancement of scepticism, Adam Smith articulated passionately and vigorously the reality and absoluteness of our universal benevolence as the source of happiness and proof that all of humankind are under the "immediate care and protection of the great benevolent and all-wise Being who direct all the movements of nature and who is determined by his own unalterable perfections, to maintain in it, at all times, the greatest possible quantity of happiness" (Smith, 1759:235). Considering the particular circumstances in Scotland at the time and the general accepted philosophical doctrines, notably the rationalism and humanism of the French and Scottish enlightenment as articulated by Voltaire, Kant, Descartes and Rousseau on the one hand and Hume, Reid and Hutton as the Scottish thinkers, it is not surprising that Adam Smith's work, in particular his ethical and moral sentiments as articulated in *The Theory of Moral Sentiments*, were overshadowed and perhaps downplayed in favour of his mercantile policies, free market principles and views on trade with colonies as articulated in *The Wealth of Nations*. While Adam Smith increasingly dominated the period following Scottish Enlightenment, the Scots and many other intellectuals in Europe and in the Americas embraced the kind of society that free trade would create. They simply downplayed *The Theory of Moral Sentiments* and with that the underlying ethical and moral sentiments that he recommended as the basis of judgement and of virtuousness that are required to better one's conditions of living.

7.1.2 POSITIVISM AND VALUE-FREE ECONOMICS

The second epoch making event that is having a negative consequence for the general acknowledgement of and adherence to Adam Smith's ethical and moral sentiments underlying his *classical exchange model*, is the universal acceptance of positivism as an ideology and then more particular the influence of this ideology on the advancement of value-free economic. Positivism, as a doctrine in western Philosophy Is defined as any system that confines itself to the data of experience and excludes a priori or metaphysical speculation (Feigl, n.d.). More narrowly, the term designates the thoughts of the French, August Comte (1798-1857) (Feigl, n.d.).

The approximate roots of positivism therefore lie in the French Enlightenment, which stressed the clear light of reason, and the 18th century Scottish Enlightenment empiricism, particularly that of David Hume and of Bishop George Berkley, which stressed the role of sense experience (Feigl, n.d.). As a philosophical ideology and movement, positivism first assumed its destructive features in the work of Comte who also named and systematized the science of sociology (Feigl, n.d.). Related to the work of Comte, is David Hume's view of the is–ought dichotomy (Boland, 2012). *Positivism* then developed through several stages known by various names, such as “empiricism”, “logical positivism” and “logical empiricism” and finally merged in the mid-20th century into the already existing tradition known as “*Analytic philosophy*” (Feigl, n.d.).

According to Feigl (n.d.), the two basic affirmations of positivism are the following:

- That all knowledge regarding matters of fact is based on the positive data of experience and
- That beyond the realm of fact is that of pure logic and pure mathematics.

In its basic ideological posture, wrote Feigl (n.d.), positivism is thus worldly, secular, antitheological and antimetaphysical.

The basic concept of positivism is therefore to clarify the meaning of concepts and assertions and not to attempt to answer unanswerable questions such as those regarding the nature of the Ultimate Reality or of the Absolute (Feigl, n.d.). For many, according to Feigl the logical positivism as the antidote that was urgently needed to refute the *extremely ambitious* Hegelian type of metaphysics [own emphasis] that was idealistic and absolute in orientation. Moreover, positivism has only contempt and ridicule for the ideas of existentialists whose investigations focus on questions such as: Why is there anything at all? *and Why* is what there is, the way it is? (Feigl, n.d.). To positivism, these enquiries were not only sterile, but so confusing as to be nonsensical (Feigl, n.d.). Accordingly, the positivism considered metaphysics as a hopelessly futile way of trying to do what great art and especially poetry and music already do so affectively and successfully (Feigl, n.d.). These activities are according to the positivists mere expressions of vision, feelings and emotions and as such, are accordingly perfectly legitimate as long as they make no claims to genuine cognition or representation of reality (Feigl, n.d.). What positivism recommended on the positive side, is a logic and methodology of the basic assumptions and of the validation procedures of knowledge and of evaluation. In terms hereof, positivism thus distinguished cognitive-factual meaning from expressive and evocative [or emotive] meaning (Feigl, n.d.). By implication, any emotive type of expression and appeal should not be mistaken for one having genuinely cognitive meaning. In such expressions, wrote Feigl, as moral imperatives, admonitions and exhortations, there is of course a factually significant core related to the [likely] consequences of various actions (Feigl, n.d.). Feigl argues that the normative element expressed by such words as ought, should, right and their negations (as in, Thou shalt

not....) – is by itself not cognitively meaningful, but has primarily emotional and motivational significance (Feigl, n.d.).

A.J. Ayer, a British positivist, according to Feigl, is going even a step further by asserting that moral-value judgements are merely expressions of taste. Ayer accordingly condemned as nonsense and complete absence of factual meaning all moral, aesthetic and metaphysical assertions (Feigl, n.d.). These harsh and implausible assertions and views by positivists like Ayer and also those of Carnap, according to Feigl, were later rendered more acceptable by the proper allocation of the cognitive and normative [motivational] components of value statements (Feigl, n.d.). However, Feigl insist that there is nevertheless in every positivistic view, an ineluctable element of basic non-cognitive commitment in the acceptance of moral, or even of aesthetic norms (Feigl, n.d.).

Since positivism was first introduced, the ideology has developed and become noted for their repudiation of metaphysics and the rejection of any speculation regarding the nature of reality that radically goes beyond any possible evidence that could either support or refute such transcendent knowledge claims (Feigl, n.d.). Positivism also became known for the strict adherence to the testimony of observation and experience as the all-important imperative (Feigl, n.d.). That imperative is also reflected in the contribution by positivism to ethics and moral philosophy, which Feigl (n.d.) views as generally utilitarian to the extent where something like the greatest happiness for the greatest number of people became their ethical maxim. Building on the *Empiricism* of David Hume and the *Positivism* of Comte, the first generation of the 20th century Viennese positivism began their activities, this group of positivists (Feigl, n.d.) formed in 1920 what is today known as Vienna Circle of logical positivists and a discussion group formed as the Berlin Society for Empirical Philosophy (Feigl, n.d.). These two schools of thought developed into an almost worldwide and controversial movement (Feigl, n.d.). The confluence of ideas from various sources and the impression that they made upon the Vienna and Berlin groups in the 1920s gave rise to the philosophical outlook of “*logical positivism*” – a label given in 1931 by Feigl, (n.d.). Logical positivism, essentially the doctrine of the Vienna Circle, underwent a number of important changes and further innovations in the middle third of the century, were made to the ideology. In the process of change the requirements that hypotheses and the theories should be empirically testable became more flexible and tolerant, but according to Feigl were never relinquished (Feigl, n.d.). What then occurred was a new concept word, “*empiricism*” and by retaining the word logical in roughly its same earliest meaning, the new name “*logical empiricism*” was coined (Feigl, n.d.). The ideology of logical empiricism since the 1930s gradually became the epistemological basis of what has become known as “*positive economics*”. Economist used the word positive to refer to economic analysis that is descriptive rather the normative. The epistemological and methodological basis of positive economics have its roots in the fact-value distinction in philosophy, the principle proponents of such distinctions being David Hume and G.E. Moore.

Most economists as social scientists today, focus on positive or value-free economics analysis. Positive economics stand in contrast to normative economics, which uses value judgements (Positive Economics, n.d.). Unlike normative economics, positive economics focusses on the cause and effects, behavioural relationship and facts involved in the evolution and development of economic theories. Positive economics often asks: What is economics? On the other hand, normative economics asks: What should be? or What ought to be?(Positive Economic, n.d.). The proponents of positive economics maintain the positive statements provided by positive economics are *objective*. According to these proponents, positive economics leads to better decisions regarding economic policies since positive economics is not dependent on value judgement (Positive Economic, n.d.). Accordingly, they assert that those value-free statements can be clearly defined and tested, or rejected and amended, depending on the evidence available (Positive Economic, n.d.). For these reasons most economists today advance and propagate positive economics and reject normative economics perspectives on economic issues, because these analysis and statements reflect normative judgements or are according to the proponents of positive economics opinionated statements and reactions towards economic projects, statements and scenarios (Positive Economics, n.d.).

Positive economics is therefore in principle independent of any ethical position or normative judgement (Essays in Positive Economics, 1970). Proponents therefore argue that positive economics can be an objective science in precisely the same sense as any of the physical sciences (Essays in Positive Economics, 1970). The dominance of positivism economic according to Lawrence Boland (Boland, 2012) is “abundantly evidently in current textbooks and curriculum of universities and almost every introductory textbook explains the difference between positive and normative economics and tries to make it clear that economists are interested in positive economics.” This has the consequential effect that the ethical moral sentiments of Adam Smith were omitted, not only from the general discourse in economics as a social science, but more fundamentally from the daily economic household. The ethical and moral sentiments underlying the efficacy of the market model is therefore regarded as normative elements and by itself not cognitively meaningful and has merely emotional and motivational significance. In the extreme, as I have already alluded to, such ethical and moral sentiments are viewed by some positive economists as merely *expressions of taste*. As such, positive economists, have an ineluctable element of basic non-cognitive commitment in their acceptance of moral, ethical, or even aesthetic norms. With the result that the common imperative in economics today is essentially utilitarian and focused on the utility maximization behaviour and the utilitarian maxim of the greatest happiness for the greatest number of people. With this approach, the positivists in the Economic sphere of human existence continue to repudiate all forms of what is called, metaphysics and consider it as mere speculation regarding the nature of reality and that radically goes beyond any possible evidence that could support such transcendent knowledge claims. With the result, that

essentially all the ethical and moral virtues, principles of judgement and norms of conduct as recommended by Adam Smith for the general bettering of human living conditions and the procurement of opulence or economic prosperity, have been expunged from the economic discourse of this age.

7.1.3 CONSUMERISM

The third and final negative affect that has epoch making effects on the economic discourse since the 18th century and then more in particular since 1932, is consumerism. Austrian economics founder, Carl Mengers, in his work *Principles of Economics* published in 1871, articulated, what he at the time labelled, consumer sovereignty. According to Mengers, consumer sovereignty implies that the economy is controlled entirely by consumer preferences, valuations and choices (Caldwell, 1990). Consumer sovereignty or rather consumerism is therefore not a new-age concept or occurrence. Even at the time that Adam Smith published his works *The Theory of Moral Sentiments* and *The Wealth of Nations*, he referred with utmost contempt to the vanity of the feudal lords (Kennedy, 2008:87). But even further back in time, the growth in industries (i.e. glass-making and silk manufacturing) was similarly devoted to justifying private vice for luxury goods for the greater good. At the time, Bernard Mandeville's influential work *The fable of the bees*, published in 1714, argued that the country's prosperity ultimately lay in the self-interest of the consumer (Peck, 2005).

In the works of Mandeville, Smith and Mengers, many pages are devoted to observing, analysis and articulate the relativeness of private vice, vanity and consumer sovereignty and the affect thereof upon the general advancement and prosperity of society. This trend has not stopped and since 1930 escalated due to the industrial revolution. While previously excessive consumerism was limited to the rich and powerful while the masses lived in absolute squalor, the industrial era created an unpredictable economic situation. For the first time in human history, products were available in large quantities and at low prices to virtually everyone in the industrialized west. During the industrial age, many new inventions and better ways of producing goods created an enormous productive economy as the economist Victor Lebon observed during 1955 (Coghlan, 2009). People came to need things consumed, burned up, worn out, replaced and discarded at an ever-increasing rate to keep up the enormous production. But even 20 years earlier, Ernst Elmo Colkins noted to fellow advertising executives (Dery, 2009) in 1932 that consumer engineering must see to it that we use up the kind of goods we now merely use. Domestic theorist Christine Fredrich observed in 1929 that the way to break the vicious deadlock of a low standard of living is to spend freely and even waste creatively (Dery, 2009). This inherent drive gained further momentum since the 1970s and what is now known as consumerism has become the hallmark of most world economies. Even, today, developing countries in the world resort to consumerism to drive their economies in their desire for greater wealth and prosperity, measured

in terms of the Gross National Product Index. Consumerism as a social and economic phenomena and ideology for many observers and consumers alike, are today associated with the acquisition of goods and services in ever-increasing amounts. For many critics consumerism has become the selfish and frivolous collecting of products or economic materialism (Swagler, 1997). Whichever way, in the 21st century globalized economy, consumerism has become a noticeable, if not essential, part of our culture (James & Scerri, 2012:225-240). This cultural transformation is driven by advertising and media industry. People are exposed to mass consumerism and product placement in the media or in their daily lives. The line between information, entertainment and promotion of products has been blurred so people are more reformulated into consumerist behaviour (Sklair, 2002). The advertising and media industry is partly to be blamed for this, but not entirely. The industry seduces society to desire to acquire and in so doing creating and constructing a cultural paradigm of getting and spending. In the words of Paul Mazur, a leading Wall Street banker working for Lehman Brothers, society has to be shifted from a need – to a desire culture, to want new things, even before the old have been entirely consumed. Man's desires must overshadow his needs. This is precisely what the advertising and media industry has set out to do. Andy Coghlan (2009) argues that the modern advertising industry plays to the primitive beliefs. He quotes William Rees of the University of British Columbia in Vancouver, Canada, who argues that the modern advertising industry makes you feel insecure because the it has turned our sense of self-worth into symbolic presentation of the possession we have. Accordingly, the industry turned consumption into a necessity and made it part of how we define ourselves. Coghlan therefore asserts that the consumer spree carries on regardless and few of us are aware that we are still willing slaves to a completely artificial injunction to consume and to be defined by what we consume. For this reason, our generation is in a state of personal denial and the huge power of the advertising and marketing industry continue seducing us. (Coghlan, 2009). Generally speaking, this state of personal denial will continue for as long as society can prey upon the deep human need to build a sense of self.

In an opinion segment in *New Scientist* published in August 2009 (cited by Coghlan, 2009), William Reed was quoted as saying that human beings, despite considering themselves civilized thinkers, are subconsciously still driven by an impulse for survival, domination and expansion.... an impulse which now finds expression on the idea that inexorable economic growth is the answer to everything, and given time, will still redress all the worlds existing inequalities (Coghlan, 2009). People have to realize that our needs are finite and in the greater scheme of creation can be met, but that our wants and desires are infinite in quantity. Until that realization dawn unto us, we run the risk of being locked into a perpetual cycle of getting and spending. With that, our autonomy and freedom that we instinctively treasure will elude us. American psychologist Barry Schwartz (2004) is of the view that though modern Americans have more choice than any group of people ever had before and therefore presumably more freedom and autonomy of choice, the American

people do not seem to be benefiting from it psychologically. In his book, *The Paradox of Choice* (Schwartz, 2004), Barry Schwartz suggests that the abundance of choice consumers is confronted with, comes with its own bundle of psychological complications. Schwartz sides with the opinion of psychologist, David Myers and Robert Lane, who independently concluded that the current abundance of choice often leads to depression and feelings of loneliness. Schwartz draws particular attention to Lane's assertion that Americans are paying for increased affluence and freedom with a substantial decrease in the quality of the community. What was once given by family, neighbourhood and workplace now must be achieved and actively cultivated on an individual basis (Schwartz, 2004). What even complicate matters further, according to Schwartz, is that when people are faced with having to choose one option out of many desirable choices, they will begin to consider hypothetical trade-offs. Their options are evaluated in terms of missed opportunities instead of the opportunities potential (Schwartz, 2004).

The views of Schwartz are supported by a report of social psychologist, Marsha Richius of the University of Missouri, (cited by De Angelis, 2004) who concluded that persons place unrealistic high expectations on what consumer goods can do for them in terms of relationships, autonomy, freedom and happiness. Knox College psychologist Tim Kasser in his book *The High Price of Materialism* (Kasser, 2002 cited by De Angelis, 2004) describes his and other research showing that when people organize their lives around extrinsic goals such as product acquisition, they report

great unhappiness in relationships, poorer moods and more psychological problems. Kasser in this regard distinguishes extrinsic goods – which tend to focus on possessions, image, status and receiving rewards and praise from intrinsic ones, which aim at outcomes like personal growth and community connection and are satisfying in and of themselves.

A similar line of research put forward by De Angelis (2004), suggests that insecurities, both financial and emotional, lies at the heart of consumeristic cravings. Material things are neither bad nor good, according to James Burroughs from the University of Virginia McIntyre Schools of Commerce (cited by De Angelis, 2004) it is the role and status they are accorded in ones live that can be problematic. The key is to find a balance to appreciate what you have, but not at the expense of the things that really matter – your family, community and spirituality. These findings emerged at a time when the consumer culture has reached a fever pitch, comments Myers, author of *American paradox: Spiritual hunger in an age of plenty* (cited by De Angelis, 2004).

However, it is still too early from the literature to date too simply say that desires for material wealth unequivocally means discontent. Although the least materialistic people report the most life satisfaction, some studies, according to De Angelis (2004), indicate that materialists can be

almost as contented if they have the money and their acquisitive lifestyle does not conflict with more soul-satisfying pursuits. However, often materialists have little money and other conflicting desires – a more common situation according to studies (De Angelis, 2004) – unhappiness emerges. Statistical finding of these studies suggests (De Angelis, 2004) that Americans today, compared with Americans in 1957, own twice as many cars per person, eat out twice as often and enjoy endless other commodities that were not around them. The verdict if the present-day person is happier is still not out. But compared with their grandparents, today's young adults have grown up with much more affluence, slightly less happiness and much greater risk of depression and assorted social pathology. Hope College psychologist David Myers points out that our becoming much better off over the last four decades has not been accompanied by one iota of increased wellbeing.

Apart from the psychological consequences, consumerism as an ideology and the associated economic growth, are incompatible with the finite material resources. Consumerism has created a world which rampant consumption in rich developed countries is rapidly outstripping the resources in the world needed to satisfy the demand (Coghlan, 2009). William Rees developed in 1992 (cited by Coghlan, 2009) a process called ecological footprint analysis (EFA). This analysis is based in the combined national consumption statistics with calculations of the recourses needed to meet reported consumption patterns. The EFA generated figures that conveniently demonstrated where consumption is least sustainable and how fast finite material resources are being used up (Coghlan, 2009). Rees cited the latest figures taken from the WWF study *Living Planet Report* to show that globally we are already in overshoot, consuming 30 percent more material than is sustainable from the world's resources. At present, 85 countries exceed their domestic bio-capacities, compensating for their lack of local material by depleting stocks elsewhere in counties that have surpluses because they are not consuming as much (Coghlan, 2009). Perhaps not surprisingly, according to Rees (Coghlan, 2009) "North Americans are the most consumptive, eating resources equivalent to 9.2 global hectares per capita." The world according to Rees's study can only supply 2.1 global average hectares per person, so already, Americans are consuming four time what the earth can sustainably supply (Coghlan, 2009). The worrying thing is that if everyone on earth adopted American lifestyles overnight, we would need four extra worlds to supply their needs, says Rees (cited by Coghlan, 2009). To aggravate the relentless pressure on the earth's already finite resources is the fact that the size of the global middle class will increase from 1,8 billion in 2009 to 3,2 billion by 2020 and 4,9 billion by 2030. This rampant consumption cannot be sustained. It is indeed coming at a steep price and creating anomalies. In this regard, it is imperative that we take note of the words of warning by Christopher Flavin, President of the Worldwatch Institute cited by National Geographic News in January 12, 2004 (Maywell, 2004). According to Flavin, as we enter a new century, this

unprecedented consumer appetite is undermining the natural system we all depend on, making it even harder for the world's poor to meet their basic needs.

Consumerism and the unprecedented consumer appetite are undermining the order and stability of our civilization. Richard Heinberg in his book *The Brief Tragic Reign of Consumerism – and the birth of a happy alternative* (Heinberg, 2015) articulates the consequences of consumerism in this way: Climate change, along with the depletion of oil, coal and gas dictate that we will inevitably move away from our profound societal reliance on fossil fuels, but just how big a transformation will this be? We are indeed in for a wild ride, a civilization reboot on a scale similar to the agriculture and industrial revolution.

This civilization reboot is indeed desperately needed. Since the Scottish Enlightenment followed by the advancement of the Doctrine of positivism and the emergence of the concept of consumer sovereignty, the humanist and rational outlook, free from any metaphysical considerations, have become deeply entrenched in the psychic of humanity. With that the paradigm shift during the Scottish Enlightenment period away from religion to reason and the advancement of positive economics that in principle is independent of any ethical positions or normative judgement, have created a fundamental ethical and moral void in the economic discourse in particular and the economy in general. In order to tackle these deficiencies, we have to begin by acknowledging the fact, as Madelaine Levine (2007) observed, that we as humanity shifted away from values of community, spirituality and integrity towards competition, materialism and discrimination. By this acknowledgement, we would begin to reboot our mindset and reaffirm the classical virtues of morality. We would establish the correct basis of judgement and once again develop the *habitual sympathy* that Adam Smith set as the categorical imperative and the unconditional moral obligation that is binding in all circumstances. These are indeed the first principles that we as a civilization have to reaffirm and through repentance acquire every day.

This can only be done by acknowledging the deficiencies in the economic discourse in this age and then moving from there. For this reason, I now proceed to examine the ethical and moral deficiencies in the economic discourse. The ethical and moral deficiencies resulting from the changes during the Scottish Enlightenment, the advancement of the Doctrine of positivism and the modern-day secular Consumerism are:

- The demise of a teleological and ethical foundation
- Unconstrained self-interest behaviour
- Existential understanding of wellbeing and happiness
- Lack of social cooperativeness
- Institutionalization of wellbeing and happiness

7.2 ETHICAL AND MORAL DEFICIENCIES

7.2.1 DEMISE OF A TELEOLOGICAL AND ETHICAL FOUNDATION

An authoritative recent work (Aspromourgos, 2008, cited by Oslington, 2013:1), reaffirms Adam Smith as the “key figure in the formation of political economy who shaped its conceptual universe.” Scholars of Adam Smith in recent decades show that the conceptual universe of the classical market model upon which capitalism or the neo-liberal market theory were founded by modern economists like Milton Friedman, has been carefully constructed, encompassing ethical theory, moral philosophy, jurisprudence and philosophy of science (Oslington, 2013:1). For instance, the work of Skinner (1996), Haakanssen (1981), Winch (1996), Rothschild (2001) and Fleischacher (2004) are highlighted by Oslington (2013:1). Working in the 18th century Scotland, Adam Smith as a leading thinker in the Scottish Enlightenment period (1726-1816) has been greatly influenced by the sentiments of the time. During the Calvinist theology of the “Presbyterian Kirk” (Oslington, 2013:1) dominated Scottish intellectual life, “even in the moderate enlightenment circles in which Smith moved” (Oslington, 2013:1). Other likely theological influences identified by Oslington (2013:1) include “natural law ethics, the British tradition of scientific natural theology (especially its Newtonian forms) and Stoic natural theologies.”

David Ferguson (cited by Oslington, 2013:3) argues that Scottish Enlightenment Calvinism is very evident in Adam Smith’s work and Ferguson provides the following sketch in support of his notion:

The role of God as Creator and Sustainer of the world is emphasized. The signs of the divine presence are evident in the natural world; in this respect, the design argument is widely assumed to be valid. The beneficial role of religion in civil society is stressed. Religion contributes to social order and harmony. When purged of irrational fanaticism and intolerance, faith exercises a cohesive function through the moral direction and focus it offers human life. As a benevolent and wise, God has ordered the world so that its moral and scientific laws contribute to human welfare. The prospect of an eschatological state in which virtue and felicity coincide, moreover provides further moral motivation.

The Calvinist doctrine also resonates in the Westminster Confession of Faith which Adam Smith signed when he took up the chair of Logic at the University of Glasgow in 1751 and later during 1752 moved to the Chair of Moral Philosophy in 1752 (Raphael & Macfie, 1982:1). The Westminster Confession at the time states that “the light of nature and the works of creation and providence do so far manifest the goodness, wisdom and power of God, as to leave men inexcusable” (Oslington, 2013:3). The Confession also emphasized “that the knowledge of God and of His will, which is necessary unto salvation cannot come from nature” (Oslington, 2013:3),

and according to Oslington (2013:3) “reflects[ing] the Calvinist emphasis on how our sensory and moral capacities are limited and twisted.”

Adam Smith’s ethical and moral sentiments, as I have alluded to in previous statements, have also been greatly influenced by the Stoic doctrine on natural theology. The Stoic ideas were popular among Scottish Enlightenment thinkers (Oslington, 2013:2) and according to Raphael and Macfie’s (1982:5-10) examination of Adam Smith’s ethical and economic thoughts the “Stoic philosophy is the primary influence on Smith’s ethical thought.” Adam Smith’s “ethical and natural theology” is, according to Raphael and Macfie (1982:5), “predominately Stoic.”

During the time of the Scottish Enlightenment, the intellectual life was far less segmented. According to Friedman (2011:166), “not only were the sciences and humanities [to use today’s language] normally discussed in the same circles and often by the same individuals, but theology too was part of the ongoing discussion.” Part of what Adam Smith taught as a Professor of Moral Philosophy at Glasgow, was “natural theology” (Friedman, 2011:167). The ultimate result was according to Friedman (2011:166) “a variety of fundamental resonances between economic thinking and religious thinking.” These consequential influences are very evident in the teleological approach that Adam Smith followed. On the one hand, Adam Smith recognized that an economy is a human system and its efficiency is dependent upon the ethical and moral standard of its members (Small, 2011:6). Virtue and then more particularly self-command and sympathy, as the basis of moral judgement are important tenets in Adam Smith’s thinking. These are fundamental to human conduct and then more particularly to have command over human passions and instincts. According to Adam Smith’s observations, human instinct and conduct, through multiple human interactions, bring about the greatest amount of happiness, provided that man follows his conscience or the voice within that he refers to as *The Impartial Spectator*. In this sense, Adam Smith may be regarded as an empiricist. On the other hand, Adam Smith is reliant on metaphysics. Everything appears according to Adam Smith to be designed to bring about “providential results” (Alvey, 2004:347). This appears to be the case, regardless of whether the means are “harmonious or deceptive” (Alvey, 2004:347).

He further relies on the human conscience that is shaped and guided by laws that, according to Adam Smith, are best described as laws created by the Author of Nature to direct humankind to a harmonious outcome as the Author of Nature decides. As such, Adam Smith’s ethical and moral thinking is “an *a priori* assertion” (Denis, 1999:123-45). Thus, observe Griswold (1999:329) there is a natural order in Adam Smith’s teleological view “that is harmonious some of that harmony is obvious [empirical evidence issued in support]; the remainder is also harmonious even if we humans struggle to find it [the *a priori* view].” I therefore agree with the views of Alvey (2004:347) and Tanaka (2003:144-47) that Adam Smith’s ethical and economic thinking are based on a dual system. This duality is most evident in Adam Smith’s discussion of happiness as an end of nature.

In *The Theory of Moral Sentiments*, Adam Smith (1759:166) wrote:

No other end seems worthy of that supreme wisdom and divine benignity which we necessarily ascribe to him [God] and this opinion, which we are led to by the abstract consideration of his infinite perfections, is still more confirmed by the examination of the works of nature.

According to Alvey (2004) and Tanaka (2003), happiness as an end of nature is justified by Adam Smith on two grounds. First at the beginning of the sentence quoted above, there is the abstract and metaphysical contemplation of the perfections of God, which suggest a priori explanation. Second, at the end of the sentence, Adam Smith adds the empirical explanation (Alvey, 2004:347). The abstract or metaphysical explanation resonate the theological and teleological undertones of Adam Smith's views, while his empirical explanation imitates the usage by natural scientists or the Positivists of the age.

In understanding of this duality in Adam Smith's entire corpus of work, is essential, to comprehend the conceptual universe of Adam Smith's *classical exchange model*. I agree with Alvey (2004:343) that both *The Theory of Moral Sentiments* and *The Wealth of Nations* advance the notion of providential outcomes. The providential outcomes result from the general principle of human nature and the unaltered perfections of God to direct the movements of nature and maintain at all times, the greatest possible quantity of happiness (Smith, 1759:235). In *The Theory of Moral Sentiments*, he articulates the principles of human nature and the influence and authority of human conscience that shape and direct the human nature to a providential outcome. *The Wealth of Nations* is more about the applications of the principles of human nature (Alvey, 2004:243) and conscience, more pertinently in the bettering of human conditions of living or speaking generally economic growth. Adam Smith's theory of economic growth cannot therefore stand on rational calculations or on a utility calculus alone. I therefore agree with Alvey (2004:344) that the efficient causes of growth are a "series of natural propensities or instincts "speaking somewhat imprecisely. However, the "most beneficial results are achieved without beneficial manipulation... because of divine design." To put it in more etymological terms, the economic growth theory of Adam Smith finds its conceptual universe in the theological and teleological dimensions of human existence. For this reason, I have to reiterate the words of Viner (1972:81-82) when he says:

I am obliged to insist that Adam Smith's system of thought including his economics, is not intelligible if one disregards the role he assigns in it to the teleological elements.

From the brief analysis above, read in conjunction with the analysis of Adam Smith's ethical and moral sentiments as examined in Chapter 4 and 5, it would be evident that the metaphysical elements and the human dispositions and propensities of human nature are central to Adam

Smith's argument. For this reason, his teleological views can therefore not be removed without affecting his analysis. However, this is indeed what happened. As Viner (1972:81-82) articulates it:

Modern professors of economics operate in disciplines which have been secularized to the point where the religious elements and implications which were once an integral part of them, have been painstakingly eliminated ...[scholars] either put on mental blinders which hide from their sight these aberrations of Smith's thoughts, or they treat them as merely traditional and in Smith's days fashionable ornaments to what is essentially naturalistic and rational analysis.

This is not a new-age trend. It all started during the enlightenment period followed by the positivism movement and since the 1970s it took on a more materialistic and existential dimension with the unfettered consumerism that followed. Since the enlightenment period there have been many detractors, like David Hume (1740-1776), David Ricardo (1810-1823), Stanley Jevons (1870-1880), and Alfred Marshall (mid-1880s until 1920s). As I have already extensively dealt with the general discourse of David Hume, I deem it prudent to reflect briefly on those detractors that have had a major influence on the economic discourse and the effectual expungement of the metaphysical, ethical and moral sentiments of Adam Smith from the economic discourse. Ricardo saw economics as a technical, rather than a moral subject (Alvey, 1999:12). In Ricardo's work "Principles of Political Economy and Taxation" Ricardo, (cited by Alvey, 1999:12), argues that:

it is not the province of the Political Economist to advise: he is to tell you how to become rich, but he is not to advise you to prefer riches to indolence, or indolence to riches.

For Ricardo, wrote Alvey (1999:13) "the subject was neutral between ends." Ricardo "saw political economy as a narrow subject that used deductive logic to draw conclusions from a set of abstract and unrealistic assumptions" (Alvey, 1999:13). This narrower focus for economics than what Adam Smith allowed made political economy "a strict science like mathematics" (Alvey, 1999:13). The next person of influence was Jevons. William Stanley Jevons was "an important figure in the transition from classical, political economy to modern economics. In his work "The Theory of Political Economy" he articulated that a "mechanical and mathematical approach should be followed in economics" (Alvey, 1999:18). Jevons (1970:50) upheld the notion that "economics must be pervaded by the tracing out of the mechanics of self-interest and utility." For Jevons (1970:84), the problems of economics could largely be overcome, because the lack of "a perfect system of statistics is the only obstacle in the way of making economics an exact science." Once the statistics have been gathered, argued Jevons (Alvey, 1999:18) "the generalization of laws for

the will render economics a science as exact as many of the physical sciences” (Jevons, 1970:84 cited by Alvey, 1999:18).

Alfred Marshall (1842-1924), like Jevons, argues that economics was actually more like the natural science (Alvey, 1999:19). According to Alvey (1999:19), Marshall was a tenacious opponent of economics as a moral science, more specifically the metaphysical studies of economics. For Marshall economic laws are statements express in the indicative mood (Alvey, 1999:20) and ethical precepts in the imperative mood (Alvey, 1999:20). Marshall’s formal position was like Ricardo and Mills, was that economics was concerned with “facts and not values or policy” (Alvey, 1999:20).

The trend in the economic discourse that favours the relevance of fact, value, utility and empirical evidence rather than the metaphysical, moral and ethical sentiments, gained ground with the advent of positivism. The “self-style economic science” came to adopt positivism, which rules out moral issues from science itself (Alvey 1999:20). As the influence of positivism grew the enlightenment doctrine extended its secular and overall view in society and then more particularly in the economic discourse (Chapra, 2008:4). As Umer Chapra (2008:4) observed, “the paradigm shift continued unabated to the extreme and ended upon declaring all the revealed truths of religion as simply figments of imagination, non-existent, indeed at the bottom priestly inventions designed to keep men ignorant of the ways of reason and nature.” He further observed that the “role of revelation in the management of human affairs was gradually denied and greater emphasis was placed on the ability and power of reason to distinguished right from wrong and to manage all aspect of human life in a manner that would ensure human well-being” (Chapra, 2008:4). Ultimately, according to Chapra (2008:4) “the sanctity that religion assigns to moral values were removed”. The loss of sanctity according to Chapra (2008:4) paved the way for the introduction of philosophies of social Darwinism, materialism, determination and existentialism in economics and other social science.

This process of secularization of human life and the associated worldview that followed also paved the way for a different interpretation of Adam Smith’s economic thoughts. This in particularly lead to the expungement of the metaphysical, ethical and moral sentiment and a new secularized understanding that draws on the positivistic paradigm and methods of Newton, with self-interest now to be understood as the “force of gravity in society holding together a human system on a balance equilibrium” (Nelson, 2013:3). “The idea that God is needed to achieve mutual beneficial ends was lost” (Oslington, 2013:15). Positivism, according to Alvey (1999:25), “ruled out moral philosophy, including utilitarianism, with considerable narrowing in the scope of the discipline [economics] itself” (Heilbroner, 1999:25). “Once all the moral concerns of economics are stripped away, only rational calculation remains” (Alvey, 1999:26). As Solow (1997:39-58) puts it, “between 1940 and 1990... economics became a self-consciously technical subject.”

Kreps (1997:59) observed that there was in this time a “slippage from the assumption of utility maximization to wealth maximization to selfish behaviour and ultimately to the explicit adoption of greed as the operational microeconomics assumption” (Kreps, 1997:59).

With the result that ethic, virtue and moral judgement, the character of the moral agent in Adam Smith’s *classical exchange model* is seldom heard of today. Economist seldom see them (Nelson, 2013:2) as “analysts of the moral foundations of society, as many students of economic matter once did. As result the powerful normative elements of economics tend to be driven underground” (Nelson, 2013:2). All that remain is rational calculators which according to Alvey (1999:26) “easily translated into greed”. As Chapra (2008:4) observed, “this deprived society of the harmony and consistency with which the moral dimension combines all aspects of human life into an integrated whole and thereby ensure comprehensive wellbeing.”

Paul Oslington (2013:6) concurs with Chapra’s more metaphysical conclusion by observing that “contemporary economics is a long way from Adam Smith.” By banishing theology [together with any meaningful discussion of eschatology] and narrowing the focus to efficient cause has arguably assisted [the] theoretical and empirical advance in economics over the past two centuries. However, it has hindered [the] capacity of economics to engage with the really big policy questions, those [that] touch our deepest hopes and sense of justice. Hence, the future that economist’s take to their fellow human beings is the same as the present, just with further growth of income and consumption. As Paul Fiddes (cited by Oslington, 2013:6) has recently put it, there is a “hopelessness of a future that is an inexorable extension of the present.” Adam Smith, asserts Oslington (2013:6)

could engage with these issues because his system had an end that was not just an extension of the present but an imaginative space in which to re-conceive present possibilities. With the demise of the teleological and ethical foundation, the present economic discourse has become deficient and requires a paradigm shift.

7.2.2 UNCONSTRAINED SELF-INTEREST BEHAVIOUR

A central tenet of Adam Smith’s exposition as to why some societies and individuals prosper and others do not, is individual pursuit. With this, Adam Smith implies the pursuit of personal gain as the driver of human economic behaviour and preferences. Self-interested behaviour is according to Adam Smith’s analysis of human disposition, innate. In its rudimentary nature, it is the driver that helps individuals survive, preserve itself and procreate. It is an innate human tendency to show behaviour that is driven by self-interest and individual ingenuity that constitutes man’s propensity to produce a surplus over subsistence. This, according to Adam Smith (Kennedy, 2008:103), constitutes the essential difference between *rude* and *commercial* societies. It is then this propensity to produce a surplus that cause the perpetual continuation of the *wheel of*

circulation and the prosperity that results from that. At the time of writing *The Theory of Moral Sentiments* (1759) and *The Wealth of Nations* (1776), Adam Smith (1759:184) observed that the rich and powerful are only acting in their own self-interest and by doing so serve their own convenience and the gratification of their own vain and insatiable desires. His observation highlights his common theme about 18th century Europe and the special interest groups that sought political and legal power to enhance their self-interest at the expense of the public. However, at no time did Adam Smith argue that self-interest motivated action is always benign. He never dodged (Kennedy, 2008:88) the blemishes to the happy picture given by modern tutors of Adam Smith allegedly benign model caused by people pursuing their self-interest (Kennedy, 2008:162). In fact, the summary judgement of the conduct of the rich and elite at the time, wrote Kennedy (2008:88) drips with contempt when Adam Smith expressed his dismay by saying that it seems that the attitude is “all for ourselves and nothing for other people.” According to Adam Smith (1776:418) it also “seems in every age of the world to have been the vile maxim of the master of mankind.”

Adam Smith’s (1776:456) observation and analysis of people’s innate dispositions and self-interest behaviour, was not a “generalized explanation of all unintended consequences, but a partial one.” Self-interest behaviour is not “a universal benign rule for the market” (Kennedy, 2008:223). The notion that action motivated by self-interest is a driver or rationale for individual economic behaviour and preferences should be contextualized. Adam Smith’s observations of people’s innate self-interest behaviour “is a conditional proportion...with great historic importance and discovered in practice, deep in pre-history and not through rational theory” (Kennedy, 2008:111).

Within the overall context of the corpus of Adam Smith’s *classical exchange model*, self-interest motivated actions are conditional. As I have eluded to in Section 4.2.2.4 the *classical exchange model* of Adam Smith is reliant upon a fair and sustainable balance of the following behavioural traits: Self-centredness, other centeredness, reciprocity and duty to society. These recommended behavioural traits resonate right through the corpus of Adam Smith’s work. Most particularly, Adam Smith’s conditional proposition of self-interest motivates behaviour, advances the notion that because humans “in civilized societies stand at all times in need of the cooperation and assistance of a great multitudes” (Bryce, 1983:493), self-interest action should be pursued in a manner that also advances the right and ability of others to an advantageous outcome. This would also uphold their dignity. He also asserts through his philosophical construct of *The Impartial Spectator* that self-interest can best be served if the interest, or as he put it, self-love of others, are addressed. For this reason, a cognitive awareness of the consequential applied effect of my self-interest motivated decisions and passions are required to achieve an agreed and mutually advantageous outcome. This according to Adam Smith’s proposition can only be done if one shows a genuine fellow feeling for the desires and passions of others and a real indignation of

their injuries and uncertainties. These sentiments did not advance very much, since the enlightenment thinkers and neo-liberal economists in the years following Adam Smith, paid hardly any attention to the “embedding of the national economy in the ethical context” (Küng, 1998:195). Hence, the basis of moral judgement and the ethical and moral sentiments underlying Adam Smith’s *classical exchange model* have become separated from the self-interest motivated desire for economic prosperity. From this perspective, the economic system that Adam Smith advanced became detached from the overall ethical and moral structure that Adam Smith upheld to advance a harmonious outcome.

The process of separating the ethical and moral considerations from the pure and so-called rational self-interest motive, escalated since the enlightenment period and then more notably since advancement of the doctrine of positivism. This doctrine and the secular paradigm that followed are deeply entrenched in the self-centredness, materialistic and existential orientation of the new age of consumerism that arose in the early 1930s. Excessive consumerism is not a new occurrence [refer to Chapter 3, with reference to the feudal lord’s vanity]. Modern-day consumerism, like similar occurrences in the past, exploits certain traits of human psychology. Evolutionary scientists point out similarities between Darwinian principles and consumer behaviour (Miller, 2009). One similarity is the innate self-interest disposition of humans to better their condition of living and to acquire material wealth for the ease of life and to gain power and prestige. This innate self-interest disposition is being exploited in two ways. On the one hand, the doctrine of positivism advances the notion that human reason alone would result in a rational behaviour and preferences. Secondly, an individual’s preferences as deduced from the utility of an object are superior and final. In this way, consumerism as a deliberate narrative, for economic growth and then more specifically as an affirmation of human satisfaction and happiness, cultivated a consumer culture in terms of which the self-interest is superior in rank in relation to the wellbeing and interest of others. It also cultivated a culture that a person’s self-worth depends on his productivity and ability to acquire what is perceived to be objects of wealth and means of prosperity. Moltmann (2012:67 cited by Vorster, 2014) is therefore of the opinion that the modern society, at least in the west “have been programmed with a predisposition in favour of economic growth and accumulation.” This, in turn, is reliant on the self-interest disposition of humans that, because it is allowed to go on unfettered, has resulted in what Adam Smith warned against, in the exploitation of others and the excessive vanity that characterizes modern society.

7.2.3 EXISTENTIAL UNDERSTANDING OF WELLBEING AND HAPPINESS

Human understanding of wellbeing and happiness has fundamentally changed since the *enlightenment period* when human reason and human individual endeavour were advanced as fundamental to human happiness. This understanding of human happiness was further articulated

by the positivists after the dawn of secularism and has manifested with much greater force with the advent of consumerism as the only viable narrative for continuous economic growth. The enlightenment period followed by the Age of Secularism that in turn gave birth to the modern-day consumerism, have gradually created what has become known as the homo oeconomicus (Küng, 1998:210). This model of creature, I use the term deliberately because for many reasons its character and motives are not the same as that of *homo sapiens*, is a “maximizer of self-interest, who allegedly is a subject exclusively interested in himself and disinterested on others” (Küng, 1998:210).

This creature, according to the neo-liberalist, ought to be concerned at all times with those interest that excites the person the most and accordingly have to respond to the immediate passions, desires and aversions to acquire ease of life and better their conditions of living generally. As people’s individual ingenuity and endeavours are central in the attainment of these goals, the system of value, including the basis of moral judgement of one’s behaviour and preferences, have changed and became subservient to the existential nature of humans. As I have already eluded to in the section on the Scottish enlightenment the metaphysical or the transcendental character of human life have been expunged from human understanding of the nature of life and the existential materialistic nature of life has been advanced and upheld since the emergence of the secular age. For this reason, since the modern age the metaphysical meaning of life has been relegated in favour of the existential understanding of wellbeing and happiness.

This reality is further advanced by neo-liberal economists who advocate the notion that these conditions are indeed fundamental for the neo-liberal economic model to advance human prosperity and wealth (Küng, 1998:210). As such, the existential precepts of behaviour motivated by self-interest ought to be deduced from human reason and the satisfaction derived from what immediately excites a person. This has given rise to a reality that is devoid of substance. This reality may be characterized by the following dispositions: fetishism of commodities; philosophy of futility; conspicuous consumption and forecasting error. The effect thereof is indeed a deflation or diminishing of the intended meaning and value of life and a further existential understanding of happiness and wellbeing. Let us examine these four aspects of life as they jointly and severally give rise to the existential understanding of happiness and wellbeing in the modern society:

Fetishism of Commodities

The philosophers Marx and Engels (1820-1883) introduced this concept. According to this concept, commodities in a society where people produce and exchange them, takes on a life of their own and constrain those who produce them (Boucher & Kelly, 2003:247). As such commodities itself become mysterious and affect the way humans act, think and are (Boucher & Kelly, 2003:427). Because commodities become exploitative and oppressive, commodities make themselves relevant to a world they have created and attain a life of their own (Boucher & Kelly,

2003:427). Ultimately, we assign or attribute certain human attributes to inanimate commodities. Over time, these inanimate commodities offer gratification or pleasure well beyond its natural value and gain exceptional exchange value that reflect the deeper and more fundamental benefits that are deduced therefrom. This gives rise to a continual search for gratification found in commodities even frivolous commodities.

Philosophy of Futility

Philosophy of Futility is a phrase coined in 1928 by Columbia University Marketing Professor, Paul Nystrom, to describe the disposition caused by the monotony of the industrial age. Nystrom, observed the natural effect of this malaise, was seeking gratification found in frivolous things, such as fashionable approval and goods. Nystrom theorized that this human proclivity in the modern world could be manipulated to induce a vicious circle of dissatisfaction and the desire for new consumer goods, thereby leading to an ever-increasing desire to acquire new fashionable goods and services such as apparel, automobiles and home furnishings (Nystrom, 1928). According to Nystrom (1928), many people in the western world, especially since the industrial age, departed from what he termed “old-time standard of religion and philosophy.” Having failed to find a forceful and viable alternative philosophy, the void was filled by what he termed a philosophy of futility. It is a view in life, or rather the lack of a view of life, that causes humans to question the “value of motives and the purpose of main human activities” (Nystrom, 1928). There exist even in human beings, the tendency to challenge the purpose of life itself. This lack of purpose, according to Nystrom (1928) “has an effect on consumption similar to that of having a narrow life interest.” This results in human attention being drawn to the more superficial things that comprise much of a fashionable consumption as mentioned above.

This underlying lack of meaning and purpose of life is, according to Louise Story (2007), the reason why the person in the modernized society is doing shopping to make himself or herself feel happier, referred to as retail therapy in the popular press. This term was first used in the Chicago Tribune of December 24, 1986. This article cited by Story (2014) articulates how the modern society became a society that is measuring “our lives in shopping bags and nursing our physic ills through retail therapy.” Story observed that retail therapy is sometimes observed in people in times of depression or transition that cause a lack of personal purpose and meaning. Shopping therefore is experienced as a therapeutic act that improves the person’s mood or disposition and that provides some artificial meaning and purpose. The goods purchased is often required to as comfort buys.

According to Chris Arnold (2009:30) this disposition of humans and inherent lack of meaning and purpose, is also the case that people are constantly in pursuit of novelty. This desire for novelty is encouraged and exploited by the marketing and advertising industry to encourage consumers

to buy new and discard the old, seen in particularly in fashion, apparel, automobiles, cell phones and home furnishings to mention but a few examples. (Arnold, 2009:30). Joseph Sirgy (2001:140) observe that these trends are also evident in peoples continuous and unfettered desire for goods and services that often are used as status symbols. As such, these goods and services are bought to use them “to display them to others, sending associated meanings, such as displaying wealth and status.” Taking this observation further, Chris Paris (2011:17) is of the view that “society is driven less by competition with others than by their own hedonistic pleasure.” Overall, these trends are the cause, of what is labelled today as conspicuous consumption, by which the modernized society is characterized by.

Conspicuous Consumption

Conspicuous consumption is a term that Thorstein Veblen (1994), a sociologist and economist introduced at the turn of the 20th century. This term by Veblen describes an apparently irrational and confounding form of economic behaviour. This term implies that people engage in unnecessary consumption as a form of status display. Veblen has observed at the time, that it is true of fashion in even a higher degree than of most other items of consumption. People, observed Veblen

will undergo a very considerable degree of privation in the comforts of the necessities of life to afford what is considered a decent amount of wasteful consumption: so that it is by no means an uncommon occurrence in an indecent climate, for people to go ill clad to appear well dressed (Veblen, 1994).

Paradox of Choice

These characteristics of human consumer behaviour of the modern society are essentially rooted in greed. Greed according to Erich Fromm (cited by Meher, 1967:27) is an inordinate or insatiable longing especially for wealth, status and power. As a secular psychological concept, greed is an inordinate desire to acquire or possess more than one need. The degree according to Fromm, (Meher, 1967:27) of its ordinance is related to the inability to control the reformulation of *wants*, once desired *needs* are eliminated. Accordingly, Fromm describes greed as “a bottomless pit which exhausts the person in an endless effort to satisfy the needs without ever reaching satisfaction” (Meher, 1967:27).

Meher (1967:27) observed that greed results from a *state of* “restlessness of the heart and consist mainly of cravings for power and possessions” These possessions and power are sought for the fulfilment of desires. As humans, according to Meher (1967:27) is

only partially satisfied in their attempt to have the fulfilment of their desires, the partial satisfaction fans and increases the flame of craving instead of extinguishing it. Thus,

greed always finds an endless field of conquest and leaves humans endlessly dissatisfied.

Those persons who attempt to overcome the dissatisfaction and discontentment caused by greed are driven by a search for alternative choices, which in turn is the cause of even greater dissatisfaction and discontentment. Barry Schwartz (2004) in his book *The Paradox of Choices – why more is less*, agrees with psychologists Davis Myers and Robert Lane, who independently concluded that the current abundance of choice often leads to depression and feelings of loneliness. Schwartz finds that when people are faced with having to choose one option out of many desirable choices, they will begin to consider hypothetical trade-offs. These options are evaluated in terms of missed opportunities instead of the opportunities potential. Schwartz maintains that one of the downsides of making trade-offs is it alters how we feel about the decisions we face and the consumer choices we make, afterwards. As such, it affects the level of satisfaction we experience from our decisions. This brings me to the very last aspect, yet the most fundamental aspect of human behaviour and preferences that is greatly influenced by the current existential experience of wellbeing and happiness of the modern society.

Forecasting Error

The forecasting error describes Nava Ashraf, an Assistant Professor in the Negotiations, Organizations and Market Group at the Harvard Business School (Ashraf *et al.*, 2005:131-145) is a person's "illusion that acquiring wealth, possession and status will make them permanently happy." This forecasting error is indeed responsible for much of the economic activities we see in the modern society. It is indeed an error of judgement as a large body of modern research in the determinants of happiness (Easterlin 1974, Diener and Biswar-Diener, 2002; Frey & Stutzer, 2002 as cited in Ashraf *et al.* 2005:131-145), has quite consistently found surprisingly weak connections between happiness, wellbeing and wealth or income, especially over time or across countries. This *forecasting error* is what Adam Smith (1759:263-264) referred to in his work *The Theory of Moral Sentiments* as a *deception* – the misguided belief that wealth brings happiness. As Adam Smith (1759:263-264) notes,

it is this deception which rouses and keeps in continual motion the industry of mankind. It is this deception which first prompted them to cultivate the ground, to build houses, to found cities and common wealth's and to invent and improve all the sciences and arts, which ennoble and embellish human life, which have entirely changed the whole face of the globe.

This observation of Adam Smith is a partial one and should not be construed as having been affirmed. The observation is a mere factual proposition as Adam Smith (1759:265) correctly

observed that the “rich pursue ends that fail to make them happy.” Adam Smith observed that they end up being no happier than the poor.

For this reason and others, Adam Smith warns against the existential understating of happiness and never relied on this deception as a fundamental essential of his *classical exchange model*. However, he observed from the conduct of the elite and landlords during the feudal era that their material or existential understanding of happiness and wellbeing was the cause of a belief that they were the objects of attention and approbation. They therefore took glory in their riches, because they felt that they draw upon them the attention of the world (Smith, 1759:50-51). It is by this deception that humans pursue wealth, power and pre-eminence and toil and bustle with ambition and avarice. He accordingly questions for to what purpose is all the toil and bustle of this world. He also questioned the end of avarice [“excessive or satiable desire for wealth or material gain” Miriam Webster Dictionary] and ambition, of the pursuit of wealth and pre-eminence (sic) [the fact of surprising all others – Google dictionary]. According to Adam Smith (1759:295), “man desire to be great and rich as they believe, wrongly though, that they will be loved and trusted.”

Because of this deception, wrote Adam Smith (1795:290),

man takes an anxious or passionate concern in both his success and his disappointment of his own most faithful endeavours. With the consequence that man cannot completely subdue all his private, partial and selfish passions and cannot emerge from the *abyss of misery and disorder* [own emphasis], into which his anxiety for the gratification of these private, partial and selfish passions had involved him.

Adam Smith (1759:290) then concluded “that ultimately, man is rewarded with miserableness and cannot enjoy the free air of liberty, independency, security, tranquillity of mind and happiness.” Adam Smith (1759:290) therefore recommend that a person should not be defined by a person’s desires, power and status, but instead the person ought to take self-command over the existential desire, passion and aversion and submit same to the person’s conscience and act according to the voice within – *The Impartial Spectator*. It is *The Impartial Spectator* that will shape and guide human behaviour and preferences to become less deceived and begin to enjoy “the free air of liberty, independency, security, tranquillity of mind and happiness” (Smith, 1759:290) – *the fruits of being rather virtuous and wise and having the right understanding of life*. [own emphasis]

Adam Smith therefore asserts that ease of body and security or tranquillity of mind [refer to the section of the final causes of universal benevolence, Section 6.8.6 for a more detailed explanation of the meaning of “tranquillity of mind” in terms of Adam Smith’s (1759:149) account of the meaning of happiness] is “the most perfect state of human nature, the most complete happiness which man is capable of enjoying.” Adam Smith (1759:149) therefore observed, contrary to the deception by which people tend to order their lives, that without tranquillity there can be no

enjoyment and where there is perfect tranquillity, there is scarce anything which is not capable of amusing.” With that, Adam Smith (1759:148) also implies the preservation of equanimity – meaning the calmness and composure in a difficult situation. Whatever therefore tends to promote human happiness, in particular ease of body and security and tranquillity of mind, are therefore right, laudable and virtuous and the contrary wrong, blameable and vicious. Adam Smith (1759:302) therefore cite with Hutcheson “that whether what, upon the whole, tended most to the happiness of humankind was not also morally good but never once made a question”.

I therefore conclude from the corpus of Adam Smith’s assertions (refer to Section 6.8.6) that the most perfect state of human nature, the most complete happiness and wellbeing which a person is capable of enjoying, will be attained when a person does the following:

- Follow with great conscience his innate disposition to preserve, protect and procreate.
- Fulfil his or her responsibilities, obligations and moral duties as a citizen.
- Enjoy with care and respect the right of association of opportunities.
- Enjoy and pursue with responsibility the innate disposition to be free and having ease of body.
- Desire with all your heart and mind the security and tranquillity of mind.

Should our happiness and wellbeing be founded upon and deduced only from the existential nature of existence? According to Adam Smith (1759:133), the answer is an unequivocal no. In answering this question, we have once more to note the discourse of the eloquent and philosophical Massillon that Adam Smith quoted extensively in explaining what man ought to focus on in his quest for happiness and wellbeing. For the sake of completeness and because of the fundamental importance and resonance of the words of Massillon cited by Adam Smith (1759:133), I repeat the citation.

But you, on the bed of death, can you dare to represent to Him your fatigues and the daily hardships of your employment? What is there that He ought to place to His own account? The best days of your life, however, have been sacrificed to your profession... Alas! my brother, one single day of those sufferings, consecrated to the Lord, would, perhaps have obtained you eternal happiness. One single action, painful to nature and offered to Him, would perhaps, have secured to you the inheritance of the saints. And you have done all this and in vain, for the world.

Perhaps, the confused - over materialistic and secular modern society in which we live and toil for a living ought to redirect their attention away from the present existential understanding of what would make humans happy, content and bring calmness to our mind. Until this transformation happens, we will toil with ambition and avarice, without enjoying the fullness of life and the warnings by Adam Smith will remain subverted to smooth the minds of the scrupulous merchants and consumers that cannot take command over their insatiable desires and passions.

7.2.4 LACK OF SOCIAL COOPERATION

The secular and materialistic outlook of the modernized society, in particular the materialistic understating of happiness and wellbeing and the unbridled or unconstrained pursuit of self-interest, have fundamental implications for the society. In particular, the co-cooperativeness, or rather lack thereof, is the cause many societies have become disintegrated and the required atmosphere of respect and mutuality undermined (Alvey, 1999:8). This view is supported by Küng (1998:232). According to Küng, we live in a modern society “in which totalitarian state socialism as well as unbridled capitalism have hollowed out and destroyed many ethical and spiritual values.” More notably, according to Küng (1998:232) “a materialistic mentality breeds greed for unlimited profit and a grasping for endless plunder.” These demands according to Küng (1998:232) “claim more and more of the community’s resources without obliging the individual to contribute more.” With the result that the egocentric, secular and self-centred nature of the modern-secular person utilizes economic means not for the “service to humanity” (Küng, 1998:233) but instead misusing it in “ruthless battles of domination” (Küng, 1998:233). With that, a spirit of compassion with those who suffer and special care for the children, the aged, the poor, the disabled, the refugees and the lonely has subsided or at best has been made subservient to the private interest.

Modern society is also characterized by lack of “mutual respect and consideration so as to reach a reasonable balance of interests, instead of thinking only of unlimited power and unavoidable competitive struggles” (Küng, 1998:234). Banfield (cited by Goldsmith, 1971) identifies other related characteristics of societies that are disintegrating and that have vast implications for the stability and self-regulating abilities of individuals and society, which in turn is the cause of the institutionalization of society of our age. The latter is examined in the section to follows. According to Banfield (1958) studies done in the slums in Mexico City have conclude that societies that have disintegrated, cease to be viable social units. Such disintegration can be qualified as pathological and goes to the psychic of human existence. In these disintegrating communities, according to Banfield (1958) no-one will further the interest of the group or the community except if it is to his private advantage to do so. In other words, the disintegrating communities, according to Banfield (1958) hope of material gain in the short run will be the only motive for the concern of public affairs (Banfield, 1958). In such communities, according to the research results, law and order is

disregarded as there is no reason to fear punishment. For this reason, an officer of the State will take bribes when he can but whether he takes bribes or not, it will be assumed by society that he does.

According to the research among residence in the slums in Mexico City, it is evident that families themselves have become disintegrated and, in such cases, where the largest unit of effective organization is the individual or the incomplete single parent, that pathological consequences are even more clear. Disintegrated communities according to Goldsmith (1971) gave rise to a culture of poverty characterized by living in crowded quarters, a lack of privacy, a high incidence of alcoholism, frequently resorting to violence in the settlement of quarrels, wife beating, early initiation into sex, free unions or consensual marriages. Other traits include a strong present and time orientation with relatively little ability to defer gratification and to plan for the future, a sense of resignation and fatalism based on the realities of their difficult life situation, a belief in male superiority that reaches its crystallization in machismo or the cult of masculinity, a corresponding martyr complex among women and finally a high tolerance for psychological pathology of all sorts. According to Banfield (1958) these conditions is to be found not only in the slums of Mexican cities, but also in a large number of other urban societies. According to Banfield, this culture of poverty due to the disintegration of communities and families has some universal characteristics that transcend the regional, rural, urban and even national differences.

According to Goldsmith (1971), it is a serious error to suppose that poverty is the main cause of social disintegration. One of the most apparent features in *oikiotelic* societies [Goldsmith uses the term *oikiotelic* for societies characterized by *amoral* fatalism] in Southern Italy is the gloom and general feeling of hopelessness that the Italians refer to as *la miseria*. In these *oikiotelic* communities, according to Banfield, *la miseria* arises not from poverty as much, but more from social deprivations than biological deprivation. This being the case, according to Banfield there is reason to expect that a moderate increase in income [if by some miracle that could be brought about] would make the atmosphere of the village less heavy with melancholy." On the contrary, argues Banfield, (1971) "unless there are accompanying changes in the social structure and culture, increasing incomes would probably bring them increasing discontent." Whichever way, whether generated by the culture of poverty or amoral fatalism as Banfield argue, the spirit of self-reliance, the sense of duty to the community and all the associated cultural traits that together permit social self-regulating are being destroyed by the disintegration of communities, and in particular extended families [which may be bilateral, matrilineal or patrilineal]. These families are a feature of all simple stable societies so far studied by anthropologists, and once they are dissolved the society quickly becomes incapable of insuring self-regulatory behaviour, which causes their demise and disintegration. Ramphele, an anthropologist and medical doctor, has found similar patterns or characteristics in many communities in South Africa. The disintegration of communities and associated lack of social cooperativeness that result from it and also give rise

to the disintegration, have become a major challenge in the modern-secular society where the interest of the individual often rank privy with regard to the duty to society.

The solution to this disposition in human existence has been well articulated by Adam Smith in his account of the virtue of benevolence and justice. In his account, he clearly asserts that God has allotted the task, within man's weaknesses of power and suitable to the narrowness of his comprehension, to care for his own happiness, his friends and his country. Accordingly, Adam Smith argued that nature commends to our care and attention not the entire universe, not all beings in need, but rather those over whom our own conduct must have the greatest measure of influence. It therefore follows according to the ethical and moral sentiments underlying Smith's *classical exchange model* that each person ought to work towards the prosperity and safety of those that they have a relationship with and on whom they have the greatest measure of influence. Our conduct can also have a great effect on those that we have benefited from, those who have had the greatest measure of influence over one's own prosperity, safety, happiness or misery. Central to his account of beneficence and justice is therefore one's immediate family apart from one's family, well-disposed people due to the necessity or convenience of mutual accommodation, i.e. colleagues in office, partners in trade. This is first and foremost one's greatest duty. With regard to those that are poverty stricken, he is firm of the belief that the dignity and wellbeing of the poverty stricken, uneducated, sick and those who lack vitality both physically and mentally, should be preserved, so that they could enjoy equal opportunities of sharing in the prosperity of society. To preserve the dignity and wellbeing of others and in particular fellow labourers that toil and sacrifice clearly for the wellbeing of society, can never be regarded as an inconvenience to the whole.

Adam Smith (1776:96) in *The Wealth of Nations* asks the following rhetorical question:

Is [an] improvement in the circumstances of the lower ranks of the people to be regarded as an advantage or as an inconvenience to the Society? The answer seems at first sight to be abundantly plain. Servants, labourers and workpeople of different kinds, make up the far greater part of every great political society. But what improves the circumstances of the greater part of the members can never be regard as an inconvenience to the whole. *No society can surely be flourishing and happy, if the far greater part of the members is poor and miserable* [own emphasis].

"It is but equity besides" wrote Adam Smith (1776:96) "that they who feed, clothe and lodge the whole body of the people, should have such a share of the produce of their own labour as to be themselves tolerably well fed, clothed and lodged". However, achieving this noble end is not first and foremost the responsibility of the sovereign. Based on Smith's account of benevolence and

justice, the family is the lowest possible level of social integration and social justice. Secondly, he regards integration and social justice at the place of employment not as a missionary with a social agenda that appeal to the moral consequences of society, but rather as a prerequisite for growth and the spreading of opulence. His model is therefore not to be construed explicit redistribution (Kennedy, 2008:136) but rather it implied a sharing from the spoils of economic growth through an increase in demand for labour and the associated expected increase in wages.

In place of the moral appeal to the consciences of employees or legislators wrote Kennedy (Kennedy, 008:136) “Adam Smith based his case for a high-wage economy for all who depend on the productivity of labour for the growth of opulence, by appealing to the self-interest of the master.” In *The Wealth of Nations*, Adam Smith (1776:99) argued for

the liberal reward of labour, as it encouraged the propagation, so it increased the industry of the common place... a plentiful subsistence, increases the bodily strength of the labourer and the comfortable hope of bettering his conditions.

The positive approach by Adam Smith to promote social justice and fight poverty has indeed been supported in recent studies as becomes more evident in the section to follow.

7.2.5 INSTITUTIONALIZATION OF WELLBEING AND HAPPINESS

As eluded in the previous section, societies and families that are disintegrating, clearly find it difficult to govern themselves. Disintegrating communities according to Goldsmith (1971) find it difficult to constitute a self-regulating system. Therefore, these communities and communities that are on the verge of disintegrating, require a bureaucracy and other external controls to keep it together. This also applies to communities that hold together but experience anomalies caused by the growing divide between rich and poor members of society. For this reason, the Parliament of World's Religions (Parliament, 1999:8) have identified the divisions between rich and poor and the associated spiritual indirection as critical issues of our time. In such societies the spirit of self-reliance, the sense of duty to the community and all the associated cultural moral and ethical traits that together permit and encourage social self-regulation are destroyed or at best very weak. The result is that external assistance is required, resulting in the institutionalization of wellbeing of happiness. What I mean by this term, is that the wellbeing and happiness of those in society that are vulnerable or experience a loss of a spirit of self-reliance and self-actualization [a term used by Maslow to mean the desire for self-fulfilment, namely the tendency of the individual to become actualized in what he could potentially be] are subjected to the dictates and whims of the external agent i.e. government or sovereign.

According to Goldsmith (1971), an autocratic government that steps in to address anomalies reduces the need on the part of a society to put it any effort, so the inhabitants simply lose the

capacity to make this effort. This is also the case with social welfare. Welfare according to Banfield “does not exactly do the same thing. Peasant societies can only exist because the state provides it with all sorts of services that it would normally have to provide for itself.” These amoral fatalism (or Oikioletic societies) is not a normal state of culture according to Banfield (1958). It could not exist for long if there were not an outside order and in other respects mitigate its effects. Except for the intervention of the state, the war of all against all would sooner or later erupt into open violence and the local society would either perish or produce cultural forms – perhaps a religion of great authority. If welfare is pushed further to usurp functions that should be fulfilled at a family level, as well as those that should be fulfilled at a communal one, then the family unit itself will tend to disintegrate and the society will become egoletic.

How to deal with those in society that obviously require assistance is not a simple matter. The solutions are various and are many as there are societies of individuals that congregate. It is indeed a reality and a very deeply rooted anomaly in the modern-secular society. Civilizations before us, like the Roman Empire, collapsed because the anomaly was not sufficiently addressed. The history of the Roman republic is to a great extent, wrote Goldsmith (1971), the history of the slow absorption of the Plebeians [in ancient Rome a Plebeian was a member of the lower social classes] and the transformation into citizens capable of participating in the economic household and in the government of the city. They were eventually absorbed, but Rome never succeeded in absorbing the vast mass of slaves and foreigners who thronged to Rome towards the end of the republic and throughout the period of the empire (Goldsmith, 1971). This ultimately caused the demise and disintegration of the great civilization. What is interesting to note wrote Goldsmith is that Rome fell not as the result of barbarian invasions but as the victim of internal disintegration, due to the urbanization of the yeomanry and the vast population of liberated slaves and their transformation into the structureless and depressed proletariat entirely dependent upon state welfare for its livelihood and entertainment: free corn and the public games (Goldsmith, 1971). Chelhod, cited by Goldsmith describes the fall of Mecca in very similar terms.

It is within this context that Adam Smith conceptualized his own ethical, moral and economic thinking, taking cognisance of the problems in Scotland and England at the time, with particular reference to the Yeoman and the collapse of the feudal system. It is therefore not surprising that Adam Smith focused his attention on the potential of economic growth to transform the Yeoman and agricultural proletariats into citizens that are capable of participating in the economic household and in the government of the country. Adam Smith’s own solutions therefore focuses on two aspects that are indeed fundamental to the upliftment and transformation of the citizenry, namely increasing employment opportunities and what may be termed the transformation of the morality of the ordinary person to become a moral agent in society.

One may also deduce from the corpus of Adam Smith's work that the trust of his recommended discourse is directed towards describing the conditions actually necessary for the attainment of social justice and moral outcomes. Central to his consideration is indeed that the institutionalization of human wellbeing and happiness ought to be considered as the last resort and that the citizenry will best be served if their spirit of self-reliance and sense of duty are cultivated. In this regard, the secular world would best serve its self-interest desire if the *social bond*, or as the Greek word "*sympathetic*" implies, is fostered and inculcated to bringing about a sense of organic connection in society. As Adam Smith asserts, we have to develop the habitual sympathy that is deduced from the Universal Benevolence of the Great Author of Nature. Perhaps this is too much to expect. Only a paradigm shift with a new ethos and focus would bring about a more moral, just and equitable dispensation. As Küng (1998:207) put it:

In these circumstances concrete results cannot be achieved just by constant state intervention; it is also necessary to make an impact on the minds and sense of responsibility of adult citizens.

7.3 A NEW PARADIGM IS NEEDED - THE WAY FORWARD

Classical philosophers like Plato, Aristotle, Thomas Aquinas and Adam Smith as the founder of the market model at the time, did not put forward any narrow economic views [as is currently the case] and the economic household was firmly embedded in an overall social and ethical context. This foundation of the economic household has painstakingly been eliminated and expunged from the economic discourse, with the consequence that the economy and human economic behaviour are fundamentally driven by unfettered self-interest and remains free from ethical and moral considerations. This all started with the Scottish Enlightenment period, followed by the advancement of the doctrine of positivism and the emergence of consumer sovereignty that subjected the economy to the entire control of consumer preferences. This has been further influenced by the humanist and rational outlook free from metaphysical considerations.

All these paradigm shifts, or epoch-making events have resulted in the demise of a teleological and ethical foundation of the economic household. Contemporary economics in the modern society is a long way from Adam Smith. By banishing the metaphysical aspects together with any meaningful discussion of eschatology and the narrowing of the focus of economics and the economy, has hindered the capacity of economics to engage with the really big policy questions, "those that touch our deepest hopes and sense of justice" (Oslington, 2013:6). Paul Fiddes (cited by Oslington, 2013:6) has recently put it: "There is a hopelessness of a future that is an inexorable extension of the present." Adam Smith, as Oslington (2013:6) observed,

could have engaged with these issues because his system had an end that was not just an extension of the present but an imaginative space in which to re-conceive

present possibilities. This was lost with the demise of the teleological and ethical foundation.

Viner (1972:81-82) therefore insists “that Adam Smith’s system of thought including his economics, is not intelligible if one disregards the role assign to the teleological elements.” But, this is indeed what happened, with the result, that the modern neo-liberalism has become deficient. With the demise of the teleological elements and the advancement of humanism and rationalism free from ethical and moral consideration, self-interest behaviour has become unconstrained. The modern economy that is based on the doctrine of positivism and the secular paradigm that followed are the causes that the modern economy is deeply entrenched in the self-centred, materialistic and existential orientation of the new age consumerism that arose in the early 1930s. Adam Smith’s (1759:184) warning and his contempt for the rich and powerful who are acting in their own self-interest for their own “convenience, vain and insatiable desires” did not advance very much because thinkers of the Enlightenment period and Neo-Liberalist economists hardly paid any attention to the painstaking way that Adam Smith has “embedded the national economy in the correct ethical and social context” (Küng, 1998:195). Hence, the basis of moral judgement and the ethical and moral sentiments, underlying Adam Smith’s *classical exchange model*, have become separated from the self-interest motivated desire for economic prosperity. This has also fundamentally changed people’s understanding of wellbeing and happiness. This fundamental understanding of wellbeing and happiness changed since the enlightenment period, when human reason and people’s individual self-interest behaviour have been advanced as fundamental to human happiness and all metaphysical considerations and experiences have been expunged from the human discourse.

The understanding of human happiness has been further articulated by the positivists since the dawn of secularism and manifests with much greater force with the advent of consumerism as the only viable narrative for continuous economic growth. Today, human happiness and the existential understanding of wellbeing are closely intertwined with fetishism of commodities, futility, the pathology due to the paradox of choice, conspicuous consumption and the forecasting error. Overall, the secular society today is materialistic and focused on existential gratification.

The secular and materialistic outlook of the modernized society and in particular the materialistic and existential understanding of happiness and wellbeing and the unbridled or unconstrained pursuit of self-interest gratification, have resulted in a lack of social cooperativeness. With that, the cohesiveness of society has dwindled, and the society is characterized by a lack of mutual respect and consideration as to reach a reasonable balance of interest, instead of thinking only of unlimited power, domination, discrimination and unavoidable competitive struggles. The end result is a growing divide between rich and poor in society; disintegration of communities; weak spirit of self-reliance and sense of duty to the community and an *oikiotelic* society with general

gloom and feeling of hopelessness. Generally speaking, these disintegrating societies that lack a spirit of self-reliance and experience hopelessness and at the same time are confronted with the disintegration of families, find it difficult and incapable to run or govern itself. These disintegrating communities find it difficult to constitute a self-regulating system. Therefore, these communities require a bureaucracy and other external controls to keep it together. This results in an ever-increasing institutionalization of wellbeing and happiness whereby societies and individuals that are vulnerable or experience a loss of self-actualization become subjected to the dictates and whims of the government or sovereign. This is the cause of a further deterioration in the self-actualization of the human spirit as the institutionalization of wellbeing by governments reduces the need on the part of society to furnish any effort, so those effected simply loses the capacity to furnish this effort. From past experiences, like during the Roman civilization, the growing institutionalization of human wellbeing and happiness and the associated pathology and financial burden, could result in the complete collapse of a civilization. Taking into consideration the ethical and moral deficiencies, I feel obliged to concur with Küng (1998:207) that under these circumstances, concrete results cannot be achieved just by constant state intervention and to that I would add, constant economic growth. I therefore reiterate the words of Küng (1998:207) that we as a civilization “have to make an input on the minds and sense of responsibility of adult citizens.”

In conclusion, the gradual shift to modern-day secularism, the advancement of the doctrine of positivism and the devastating ethical and moral implications of consumerism, i.e. unrelenting pressure on the earth’s limited resources, have caused a separation between the economic, social and ethical discourse in society. What transpired is actually two-fold:

- Firstly, modern economist and thinkers are advancing a very narrow view of the influence and role of economics as a science and the economy as a mechanism to organize and maintain society (Küng, 1998:208).
- Secondly, the rise of consumer sovereignty (Caldwell, 1990) and the associated social pathology (De Angelis, 2004) due to a void created by a very weak ethic and general morality of a materialistic – existential orientated society, are associated with futility, fetishism and conspicuous consumption that are putting an unrelenting pressure on the earths limited resources.

In order to counter the increasing economizing of the world in which we live, it is of the utmost importance to reflect critically on the ethical and moral foundation of the economic household (Küng, 1998:213). As the modern economic household became separated from the classical ethical and moral principles, the efficacy of the economic household is negatively impacted. I therefore concur with Küng, that society is in need of a new ethic (Küng, 1998:208). Taking into consideration the present secular discourse of the economy, such a new ethic would represent a

new paradigm shift with different conditions and narratives to respond to the present-day challenges and deficiencies.

The question therefore follows, whether the conditions are suitable for the reaffirmation of the classical ethical and moral principles or differently put, is the time and contemporary conditions to re-embed the economy in its proper ethical and social context conducive for such a paradigm shift. These and other related questions are examined in the final Chapter 8 to follow. In this chapter, I examine the following:

- The paradigm shift in the economic discourse.
- The postsecular paradigm that is emerging.
- The outlines of a new ethical paradigm.

CHAPTER 8 THEOCONOMY AS A NEW ETHICS PARADIGM

The central argument or hypothesis of this study is that *theoconomy* can set a new ethics paradigm for economic prosperity by transforming the economic behaviour and preferences of individual persons and ultimately the society at large. The epistemological approach adopted in this thesis to prove the hypothesis is based on the theoretical framework of the nature of scientific revolution as developed by Thomas Kuhn in his work *The Structure of Scientific Revolution* (Kuhn, 2012) and his definition of the concept of paradigm shift. For this reason, I commenced the study by examining in Chapter 3 the changing realities and epoch-making events and the distinctive features, the concomitant responses and the *a priori* assumptions over various ages of human development. Chapter 3 indicated the paradigm shifts since the Age of Hunters to the Age of Commerce that ultimately culminated in the *classical exchange model* of Adam Smith, which in many ways constituted a paradigm shift in the 18th century.

Chapter 4 and in Chapter 5 examined the ethical and moral sentiments of Adam Smith's model. Adam Smith's thesis is therefore fundamentally different from the subsequent liberal theories that evolved, hence the necessity to make a clear distinction. In Chapter 4 and 5, I examined the ethical and moral foundation of Adam Smith's *classical exchange model*, more notably the admirable traits of virtue, the basis of moral judgement, the influence and authority of human conscience and the final causes or the eschatological underpinnings of the *classical exchange model*. In the last section of Chapter 6, I examined the ethical and moral sentiments in terms of eight criteria or subjects to contextualize Adam Smith's ethical and moral views in terms of current ethical theories. Accordingly, I have suggested that the ethical and moral sentiments are indicative that his ethic has a deontological orientation rather than a teleological one. In Chapter 7, I have examined three paradigm shifts, namely, the Scottish Enlightenment, the Age of Positivism and contemporary Consumerism as the prevailing viable narrative of economic growth. In many respects, as I have highlighted these paradigm shifts and how these shifts have changed the human discourse and have caused that the ethical and moral principles of the classical Theorists like Adam Smith have been expunged from the general discourse. With the result that the teleological aspects of Adam Smith's *classical exchange model* have been negated and only in the last decade his ethical and moral principles are being discussed once again. (Alvey, 2004:335). These paradigm shifts as it occurred over the last 300 years in particular, have culminated into the current ethical and moral deficiencies in the economic discourse. In Chapter 7 (7.2.1 to 7.2.5), I have identified these deficiencies as being the following:

- Demise of a teleological and ethical foundation.
- Unconstrained self-interest behaviour.
- Existential understanding of wellbeing and happiness.
- Lack of Social co-cooperativeness.

- Institutionalization of human wellbeing and happiness.

In my examination of the current deficiencies, I refer back to the ethical and moral sentiments of Adam Smith to indicate how the deficiencies can be dealt with. The analysis is also indicative of why a new paradigm is needed. The question now before us, is whether *theoeconomy* as a paradigm could change the discourse, respond more effectively to the new realities, and address the ethical and moral deficiencies of our age. This question can only be effectively answered by examining the prevalent conditions and narratives. This ought to be done to establish if the conditions for a new paradigm or a new approach, that essentially reaffirms the classical ethical and moral principles, are conducive to such a new paradigm. In examining this fundamental question, I follow the following epistemological structure:

- Firstly, I reflect on the paradigm shifts that occurred in the economic discourse that is essentially responsive to the changes in the master narratives from the enlightenment period to the secular paradigm following the emergence of the doctrine of positivism. This section concludes that the neo-liberalism as it emerged since the 1930s and founded upon the conditions created by the secular paradigm of the enlightenment period and the doctrine of positivism, is no longer relied upon as a viable thesis for the postsecular age that we as a civilization has entered.
- Secondly, I reflects upon the changes in the master narratives and the gradual emergence of the postsecular paradigm. These epoch-changes are indeed critical and offer a new opportunity to re-embed the economy in its overall ethical and moral context.
- Thirdly, I examine why a new ethical paradigm is required for the economy in a postsecular age; why the new ethic should be a global ethic; and finally why the classical ethical principles and virtues that Adam Smith has recommended and upon which the market economy has been founded, should be the foundational essence of a global ethic for a global economy.
- Fourthly, I set out the Outlines of *theoeconomy* as a new ethical paradigm for the economy.

8.1 THE PARADIGM SHIFT IN THE ECONOMIC DISCOURSE

Different economic theories and plans have emerged over the last 300 years in response to the realities and challenges of the time. These economic theories all has one common goal and that is to provide a framework for the economic order that was required and offer policy considerations and different measures to deal with deficiencies in the economic household. Many of these plans, measures and policies are secular in essence and devoid of any moral or ethical foundation, principally because of the overall master narrative of the enlightenment period and the secular paradigm that emerged from the doctrine of positivism. Accordingly, these theories can be distinguished or categorized in three paradigms being:

- The *classical exchange model*
- The old liberalism (palaio-liberalism)
- The neo-liberalism of the modern-secular age

The *classical exchange model* of Adam Smith as I have already eluded to, did not offer a narrow economic view, but see the economy like Plato, Aristotle and Thomas Aquinas as essentially embedded in an overall social and ethical context. Many observers, that do not consider Adam Smith's ethical, moral and economic thoughts in its correct hermeneutical and epistemological context, have suggested that Adam Smith's theory has fundamentally created a divide between the economy and the other aspects of human life. These observers in my view also place Adam Smith on the wrong side of the dividing line between the classical model and ethical orientation of past civilizations and the secularist paradigm that followed from the enlightenment period. It is my contention, that Adam Smith's economic thinking is founded in an ethical and moral context which is evident from his moral and ethical sentiments in his work *The Theory of Moral Sentiments* and more particularly as examined in Part VI of *The Theory of Moral Sentiments* published after *The Wealth of Nations* in 1790 just before his death. I therefore regard Adam Smith's moral philosophy and ethic and that of Plato, Aristotle, St Augustine and Thomas Aquinas as part of the classical paradigm of the period that emerged from *The Sophists* in the late 5th century BC Greece. A new paradigm has emerged since the rationalist enlightenment period proponents like Hobbes, Locke and Hume.

The old liberalism paradigm (palaed-liberalism) developed particularly in Great Britain and followed the original principle of *laissez-faire* and also introduced the principle of international free trade and the freedom of seas. This economic liberalism according to Küng (1998:184) "fell into discredit in the 19th century with the social question and then with the First World War, for which it bore some of the responsibility." With the Great depression at the beginning of the 1930s, it collapsed (Küng, 1998:184)

The neo-liberalist paradigm then followed. The theoretical structure of neo-liberalism was developed by economists Von Mises, von Hayek and Milton Friedman (Küng, 1998:185). Neo-liberal thinking concealed two very different approaches to economic policy, the first being the market economy [with no adjectives] or what may also be labelled pure marked economics with no ifs and buts (Küng, 1998:185).

The other school, mainly developed by Ludwig Erhard, advanced the idea that a state framework should order the economy. This idea, according to Küng (1998:185), came to fruition in an exemplary fashion shortly after the Second World War. What concerns me the most is the economic ultra-liberalism of Milton Friedman. After the old liberalism collapsed at the beginning

of the 1930s, it was replaced in a kind of paradigm shift [the “Keynesian revolution”] by the economic ultraliberalist (Küng, 1998:186). Friedman’s ultraliberal approach has propagated individualism whereby the individual person was allowed to pursue their desires, passions and aversions freely, whether they do so in a selfish or generous, foolish or wise way (Küng, 1998:189). They also advanced the free market, labelled as capitalism. According to this proposition, all economic processes are controlled by competition. As humans, according to these ultra-liberalists normally act rationally in pursuit of their own advantage, their actions can accordingly be predicted (Küng, 1998:189).

Thirdly, the neo-liberalist advanced the notion that the state should be restricted. Gradually, an epoch-making transformation occurred. As Küng (1998:194) observed, the autonomous economy has, become detached from the overall structure of the rest of life. These ultra-liberalists hardly paid any attention to the underlying ethical and moral consideration of human existence. Friedman, since the 1930s has basically reduced the whole ethic of the economy to a demand for and promotion of the freedom of the individual (Küng, 1998:181). This freedom was understood to be arbitrary: in fact, the unlimited freedom of the stronger applies even if it is at the expense of the weaker (Küng, 1998:191). For the ultra-liberalist, like Friedman, there is no obligation or duty to society (Küng, 1998:191). It was therefore not a question, what I can do for my country [as President Kennedy asked]. But rather the quest is: What can I and my compatriots do through government to help us discharge our individual responsibilities, to achieve our several goals and purposes and above all, to protect our freedom (Küng, 1998:191).

These liberal ideas are miles apart from the moral philosophy and ethic of Adam Smith upon which the neo-liberalism was constructed. He saw the economic household in the wider context of essential existence. He unashamedly promoted the idea of checks and balance to bring human passions and desire under control. He also advanced the notion of a continual sympathetic consideration of the wellbeing and self-love of others and encouraged a virtuous life that is built on three elementary virtues, namely prudence, beneficence and self-command. Though the neo-liberalist theory or capitalism undoubtedly brought much prosperity, it also created anomalies that are very much the cause of the critical issues of our time. Critical issue such as the unrelenting pressure on the earth’s resources due to unfettered consumerism, disintegration of communities due to poverty and a lack of a spirit of self-reliance and general hopelessness. Today we are confronted with new challenges that require new solutions. A new thesis is required to deal with the social disintegration of society, ecological challenges, ethical and moral deficiencies and a restoration of the full and pure meaning of life. Neo-Liberalism is therefore not the solution either. As Küng (1998:174) put it “the policy of free trade is no longer a principle of action, to be used with discrimination” This policy has become an absolute dogma and an end in itself, to which all other economic and social realities are to be subordinated (Küng, 1998:174). We can no longer

allow consumerism to dictate the agenda for economic growth and the quality of the state of the economy. What in fact is needed is a new thesis that should bring about a different spirit in the economic discourse. This spirit should be a discerning spirit that deliberately and distinctly direct the economic policy towards a more socially, just, peaceful and earth-friendly constitution for the economic household and deliberately and with great discernment restore the moral fibre of society and instil the classical virtues of prudence, moderation, frugality, thriftiness, justice, beneficence and self-command.

I agree therefore absolutely with Küng (1998:2007) that “in these circumstances concrete results cannot be achieved just by constant state intervention. It is also necessary to make an impact on the minds and sense of responsibility of adult citizens.” I therefore hold the notion that we have to return to the classical values as those of Adam Smith to create reasonable and sensible beings. The simplest way to put it is that we need to become moral agents that can shape and direct the economic household and to bring and restore liberty and freedom and restore the dignity of all persons. With the emergence of globalization, this challenge has even a greater dimension and that is, to remain prudent, resolute, vibrant, just and having the spirit of fortitude, acceptance and benevolence in a changing world environment in which ethical and moral values are relative to different circumstances, cultures, environment and metaphysical considerations such as religion and spirituality in general. There is one hope and highlight emerging. The master narrative of secularism as it evolved from the Enlightenment and the doctrine of positivism is gradually subsiding and a new paradigm full of new possibilities to restore the fullness and meaning of life is emerging. As Küng (1998:206) articulate it, the paradigm shift from modernity to a postmodernity is shifting the emphasis and thesis. The new thesis is that people are no longer prepared to be primarily branded and treated as a workforce and in this way as commodities (Küng, 1998:206). Let us now examine the paradigm shift from the modern-secular paradigm to the postsecular paradigm and the nature of character of the new paradigm as it is evolving. This would enlist how our ethical moral and economic thinking ought to change.

8.2 THE POSTSECULAR PARADIGM

Since the general acceptance and legitimization of the philosophical doctrines of rationalism and humanism during the French and Scottish Enlightenment, as articulated by Voltaire, Kant, Descartes and Rousseau on the one hand and Hume, Reid and Hutton as the Scottish thinkers, the world has advanced along the lines of what is now known as the secular paradigm. Secularism as a thesis further escalated in influences with the advent of positivism as an ideology, a term that designates the thoughts of the French, August Comte (1798-1857). The proximate roots of positivism therefore lie in the French Enlightenment, which stressed the clear light of reason, and in the Scottish Enlightenment’s concept of empiricism, particularly of David Hume and of Bishop George Berkley, which stressed the role of sense experience. In more recent history, since 1960,

secularism elicited exceptional interest from sociologists, theologians, economists and philosophers (Vorster, 2014:10). More pertinently, secularism gained further impetus when the old liberalism doctrine had lost all of its influence in Great Britain after the 1920s and in a few years had been almost completely replaced with a kind of paradigm shift [the Keynesian Revolution] (Küng, 1998:186). This period followed with the decisive further development of economic ultra-liberalism with Milton Friedman as the major thinker of this doctrine. The ultra-liberalist doctrine, since World War II had made major strides to promote secularism especially in the economic household. This according to Vorster (2014:10) cultivated an environment that defined people in terms of the ability to be productive and economic growth was stimulated by a deliberate strategy of consumerism. Secularism in this way, instilled in the psychic of society a consumerism whereby ethical and moral virtues such as prudence, moderation and self-command have been eliminated and destroyed (Antonaccio, 2006). Moltmann (2012:67) concurs with this view and observes that the western civilization has “programmed the human psychic towards getting and spending and economic growth at all cost.”

The modern and secular doctrine with the ultra-liberalists as the main drivers, have advanced to a point that the neo-liberal consumerism is today controlling the economic household in western societies (Vorster, 2014:16). This secular-consumer orientated trend, according to the philosopher Cliteur (2010, cited by Vorster, 2014:33) who promote and advanced the doctrine, has failed. He based his hypothesis on those of Stark and Finke (cited by Vorster, 2014:33). There are also modern writers and observes like Brown (2004:3) that question the secular paradigm. Brown argues that the support for the secular paradigm among Sociologists and Historians in Britain is dwindling. Brown also refers to research that suggest a greater vitality and interest in religion and metaphysical aspects, which is indicative of a gradual shift in the prevailing paradigm.

Based on *The Structure of Scientific Revolution* as formulated by Thomas Kuhn (2012), secularism as a master narrative as it has evolved from the enlightenment period, is now being replaced by a new master narrative where religion, ethical and moral considerations are now once more being considered as a viable narrative (Vorster, 2014:34). Vorster in support of his observation quote Brown (2004:39) which asserts that the master narrative of secularism is now being deconstructed and dismantled in favour of a paradigm that offer greater scope for ethical and moral consideration. In this paradigm, according to Vorster (2014:34), the relevance and importance of several contemporary research studies (Ziebert & Reigel 2009, cited by Vorster, 2014:34) are among those researchers that advance the notion that a moral and ethical based value system is being reaffirmed that is rooted in theology.

The French Philosopher, Lyotard (1991:XXII) also affirms that the master narrative of the Enlightenment period has passed. In fact, the term postmodernism gained popularity since Lyotard (cited by Vorster, 2014:37) used the term in his work *La Condition Postmodern: rapport*

sur le savour, which was published in 1979. Since then, many social sciences have accepted and legitimized the new paradigm and many new research works have followed (Vorster, 2014:37). History, according to Vorster (2014:37), has changed because the modern civilization was no longer inspired by the master narrative of secularism and did not feel compelled by the narrative.

A new paradigm is evolving that is critical about Positivism, Humanism and Secularism as doctrines. This paradigm shift, though in nature is a gradual and slow process, is pregnant with possibilities. However, observers like Cupitt (1999:218) and Gill (1997:17) reckon that the new paradigm, as it is evolving, has a certain nature that ought to be carefully contemplated and comprehended, to fully capitalize on the transformational force of the paradigm shift. Lyotard, (1991) has characterized the tenets of the postmodern [postsecular] paradigm as follows. Firstly, the absolute nature of the Doctrine of positivism is becoming more bearable as the time goes by. In terms of the scientific theory of Kuhn postmodern thinkers consider what is true as relative, because the search for truth is based upon certain pretext and hypothesis that is antecedent to any scientific research and therefore relative and subject to further scientific discovery, clarification and formulation. This new reality is supported by Cupitt (1999:218). According to Cupitt, truth has become relative and the values and the truths of the past are no longer valid. This notion is further supported by Gill (1997:17), who argues that the whole western tradition has lost its legitimacy, even the idea of secularism itself. According to Gill, no master narrative of the past has any legitimacy. For this reason, modernism also has lost its appeal. Instead, a new paradigm with new criteria and nature and a new approach to the metaphysics is evolving. Secondly, the new paradigm advances pluralism which implies tacitly, that religions are considered equal.

The consequence of these assertions is indeed fundamental. Firstly, it implies that the domination of reason as upheld by positivists since the Enlightenment period is now being questioned and reconsidered. Likewise, the macro-political system and the social theories that have been upheld since the Enlightenment age to deal with the challenges of the time are also now in question. Pluralism in ideas and worldviews are once again being valued (Küng, 1998:20). Reason can no longer be upheld as a fundamental absolute principle that is above and superior to the metaphysical notions. Worldviews and ideas can once again be founded in metaphysical beliefs and notions. In addition, the ethic cannot be absolute, and the ethics are subjected to changes from time to time and place to place.

This paradigm shift provides an impetus and greater scope for religion and ethical and moral principles founded upon it. In a way, the new condition is focused on the enchantment of human experiences (Ward, 2003:130). Küng (1998:20) identify the following positive consequences of the paradigm shift from modernism to postmodernism. Firstly, the focus has shifted from a technocracy that dominated human life to a condition where humans are served by technology.

Likewise, there is a shift away from an industry that destroys the ecological sensitivity of the universe to an industry and economy that value and preserve the underlying ecological sensitivity. The new condition emphasizes and value once more the internal emotions, desires, longing of humans and no longer is reliant on external planning, control and manipulation of human life. It is all made possible because society no longer rely on the domination of reason and the mechanical and amoral quest for maternal prosperity and unstrained growth. Secondly, the postmodernist questions the notion that a religion could asserts its uniqueness and superiority. This provides for a condition where the relationship between religions could be reassess and fostered. The role, value, precepts and tenets of other religions other than the master narrative of the Christian religion, in the western societies are being acknowledge as valuable and of substance and could make valuable contributions to the world view and experiences of human existence. Because science and philosophy can no longer claim absolute knowledge and truth, religions can no longer claim it either. Therefore, no religion is unique and superior to others. In this way, the new condition of postmodernism set a different tone among religions as most religions upheld the principle of absolute knowledge in their respective doctrines. As a result, thereof, a theology of religions has developed to promote dialogue between religions in anticipation of developing greater awareness and understanding among religion and to work towards global peace and stability in the respective communities (Küng, 1998:92). Greater dialogue between religions are therefore being advanced and promoted by Küng (1998:92). He is of the view that there can be no global peace between nations and civilizations if there is no peace between religions, and peace between religions can only occur if there is dialogue between religions. Thirdly, postmodernism promotes moral pluralism. Because truth and knowledge are considered relative and more than one principle could be justifiable at the same times, absolute ethics no longer applies. Ethics has become relative and could vary and change from place to place and situation to situation as the conditions change. Postmodernism therefore reject the idea of absolute truth that ethics rely upon. Relativism is therefore a new norm in ethical and moral values and virtues can only be partially true and applicable according to the circumstances. In the postsecular paradigm, diversity and pluralism are therefore accepted as the new norm. This new condition has certain advantages in the formulation of ethics. The metaphysical conditions of human existence and the mystical essence of life are regaining once more its legitimate space and scope in human existence. Humanism as the dominating social model of the secular age is now being doubted.

Vorster (2014:41) argues that to establish if this new paradigm paves the way for a postsecular west and the reaffirmation of the metaphysical essence of life, the conditions established in the new paradigm for the metaphysics should be analysed. In his analysis, Vorster (2014) cites Ward (2003), who asserts that spirituality and the experience thereof are particularly acknowledged and appreciated in the postmodernism. Some researchers see this occurrence as a shift to the

postsecular view of life and employ the hypothesis of Taylor (2007) to prove the assertion he makes in *The secular age*. Taylor (2007) concurs with the postmodernism assertion that humans have developed a resistance to the hard realities and conditions that had been set by the secular modern age. According to Taylor humans once more have a quest for the enchantments and uplifting spirit of the metaphysical essence of human existence and the associated spirituality. Taylor therefore observed a renewal in spirituality. For Taylor, the new surge in spirituality under the new conditions of the postsecular paradigm is seen as an experience of the fullness and completeness of life. Humans, once more, search for the true meaning of life, the fullness and completeness thereof that can be experienced in many ways and forms. One of those ways according to Taylor is religion. However, Taylor, like postmodernism, does not accept that religion is the only source of spirituality, but it is actually the most important source.

Vorster therefore pose a very important question whether this new paradigm shift and the conditions of the postmodernism by implication is a return to God in the minds and lives of modern persons. Vorster cite the views of Sigurdson (2010:177) who argues that sociologists based on empirical evidence begin to talk more and more about the desecularization of society and the re-enchantment of western culture. Habermas (2010:18) also maintain similar views. Habermas asserts that the western world is moving into a postsecular paradigm and that the conditions for a new paradigm are becoming more clear and prevalent. The idea of post-secularism as a characterization of contemporary western culture also resonates in modern-day debates among the radically orthodox (Vorster, 2014:44). Vorster (2014) cites the work of Milbank, Pickstock and Ward (1999) as indicative of this. The sociologist Berger (1999) even goes as far as to argue that the desecularization of the world is happening now and that the Doctrine of Secularism is in fact false. In this regard, Ziebert & Reigel (2009:93) concur with Berger. Zieber and Reigel base their assertion on international empirical data. Accordingly, they conclude that a renewed spiritual revival and new ethical orientation in Europe suggests that Europe is evolving towards a postsecular paradigm.

Vorster in his examination of the postmodern paradigm therefore concluded that the first indications deduced from empirical evidence suggest that Western Europe enters into a postsecular era (Vorster, 2014:45). New conditions are evolving and there is a revival in the spiritual orientation that is founded on an a-dogmatic spirituality where human contemporary experience of the metaphysical essence of life is fundamental, rather than the doctrines of religions (Vorster, 2014:46). The implications of this new reality are profound.

- Firstly, the doctrine of positivism is losing ground and provides the scope to embed economics once again in an overall social and ethical context.

- Secondly, as the new paradigm advance pluralism in ideas and worldviews, I agree with Küng (1998:91-102), that the economy needs a global ethic that is responsive to the globalization as it is unfolding.
- Thirdly, this global ethics, in view of the overall tenets of the postmodern paradigm, ought to be rooted in the shared universal ethic and common principle of the leading religions of the world.
- Finally, as the secular-materialistic orientation of consumerism is subsiding and new conditions are being established by the postsecular paradigm, the classical principles of virtue and the ethical sentiments should be reaffirmed. These principles of virtue and ethical sentiments should be contextualized and firmly rooted in the Golden rule which has found expression in the traditions of Confucianism, Taoism, Hinduism, Buddhism, Zoroastrianism, Judaism, Christianity and Islam. I refer to this important aspect in a section to follow (Section 8.3.2).

In order to capitalize on the paradigm shift as it is unfolding, the challenge ahead of *Theoconomists* is to find a new economic and ethic thesis that could serve as a viable narrative to consumerism as the secular doctrine and foundation of sustainable growth. This new thesis would be judged by the following criteria:

- The global ethical content to support the global economy and heterogenetic economic households.
- The reaffirmation of classical moral and ethical principles and virtues that are deeply rooted in the Golden Rule and shared values of a plural-heterogenic civilization.
- The fostering of a new economic order that promotes social justice, peace and earth-friendly solutions. I posit that this new order could be attained through discernible growth.

I now proceed to offer the outlines of a new paradigm of an ethic and growth model for the economy, which I have termed *Theoconomy*. I deal with the above threefold criteria in the following structure:

- Firstly, I examine why global ethics, based on the shared values and rooted in natural law is required (refer to Section 8.3).
- Secondly, I examine why the classical moral philosophy and the *exchange ethics* of Adam Smith should be reaffirmed as the foundational essence of a global ethic for a global economic household (refer to Section 8.4).

- Thirdly, I examine Adam Smith's ethic in terms of certain criteria set for making global ethic specific (refer to Section 8.5).
- Fourthly, I outline the ethical principles, admirable traits and basis of moral judgement that could constitute the essence of a new global ethic for a postsecular economy (refer to Section 8.6).
- Finally, I illustrate how the proposed ethic can transform economic behaviour and preferences of individual persons and ultimately society at large. By this conclusion, I would have answered the hypothetical question and achieved the main aim of this thesis.

8.3 WHY A GLOBAL ETHIC?

The Parliament of the World's Religions (1999:3) at its meeting held in Cape Town, South Africa during December 1999, concluded that we, as a modern civilization, find ourselves at a moment when people everywhere are coming to recognize that the world is a global village. According to the Parliament, the perils and promises of this new reality bring to mind several ancient understandings: that human beings are interdependent and responsible for the care of the earth and that the choices shaping a just, peaceful and sustainable future are choices we must make together. According to the Parliament (1999:3), what is needed now is to begin a modern interreligious dialogue and more imaginative partnerships towards shaping a better world. The Parliament (1999:3) holds the view that as we find new ways to cooperate with one another an unprecedented process of transformation can unfold, and new hope can emerge. To give effect to this modern-day challenge, we are all challenged by the Parliament, to think critically and holistically about the roles of religious and spiritual communities in the pursuit of creative solutions to the world's most pressing problems. Proceeding from this we have to engage in thoughtful dialogue with persons of other traditions and cultures and search for effective ways of bringing the attention, energy and influence of religion and spirituality to bear on the critical issues confronting the planetary community (Parliament of the World's Religions, 1999:4).

In order to provide a context for these initiatives, the Parliament, at its meeting held in Chicago during 1993, offered a thoughtful and provocative statement of fundamental ethical principles shared by the world's religions and spiritual traditions (Parliament of the World's Religions, 1999:4). This groundbreaking work by the Parliament contextualized the vision of the world as it might-be as expressed through the world's religions and spiritual traditions. As the Parliament (1999:4) has concluded, these traditions embody human aspirations for meaning and purpose in life; for respect and mutuality between diverse peoples, cultures and religions, for justice and peace; for alleviation of suffering and for harmony with the earth. This growing awareness and sustained encounters between people of different religions, spiritual and cultural traditions is

creating a heightened momentum towards actualizing our many visions of a better world, as well as stronger possibilities of establishing ethical common ground. (Parliament of the World's Religions, 1999:6). The new awareness of shared ethical principles, according to the Parliament, opens the way to a new area of creative engagement where we find and implement new modes of outreach, cooperation and constructive common action (Parliament of the World's Religions, 1999:6), not only among the world's religions, but also among individual persons, communities, corporate society, community based organizations and many other guiding institutions. In doing so we as humanity begin to constructively and with a higher degree of cooperation and harmony work towards a shared vision of the world-as-it-ought-to-be and gradually change the course of the modern world towards a model that is socially more beneficial, peace fostering and earth-friendly.

Humanity's shared commitment and universal approach to the challenges facing our modern civilization, is therefore, indeed vital for continued peace and prosperity. Küng (1998:92), a German theologian and moralist has noted in this regard, that there will be no new world order without a new world ethic, a global or planetary ethic despite all dogmatic differences. Küng (1998:92) convincingly proves that there will indeed be no peace between civilizations without peace between religions, and there will be no peace between religions without a dialogue between the religions about common human values, criteria and basic attitudes. A different paradigm for peace and economic prosperity are therefore inevitable today, as the world has indeed become more integrated, communities more diversified and cultural homogeneity less obvious and clear. The reality of a new paradigm has become an inescapable fact as most nations of the world and other stakeholders of society i.e. Corporate Business, NGOs and Sport Federations to mention but a few, are no longer homogeneous in nature. Society has become even more diversified, religiously and culturally, over the last century and this trend will continue. Likewise, corporate business and other stakeholders are following the same trend. This modern-day trend has vast implications for the way nations, communities, employers, employees and the general society co-exist and manage their individual affairs and inter-relationships and cooperation. We can therefore no longer engage in the sphere of economies, in particular, without reassessing our values, norms and principles that recognize and respect the diverse religious, spiritual paths and cultures of our shared world. I therefore concur with Geisler (1989:124) that without a universal moral law common to all people, in particular in the economic sphere, there would be no grounds for meaningful moral communication and for action adjudication between divergent societies. International commerce, as Geisler argues, would not be possible without mutually accepted moral principles (Geisler, 1989:124). Likewise, as a global society, we will not be able to address the critical issues of our time effectively and we as a civilization would not be able to take appropriate steps to reverse the disintegration of communities, the unrelenting demand on the earth's limited resources, aggravated injustice, spiritual indirection and the growing divisions

between rich and poor. We are therefore all challenged to formulate a new ethos for sustainable peace and prosperity, within a national, corporate, societal and individual context, that can be shared by an ever increasingly diversified world.

With this in mind, such a distinct spirit for human coexistence should fundamentally be rooted in shared ethical principles, norms and standards that apply to a global civilization. Failing this, we as a civilization will become even more materialistic in our shared approach to life, as we fail to find common ethical principles that resonate from our various religious and spiritual traditions. Such a universal and shared spirit of coexistence does not mean a single global culture and, as Küng argues, a far less single global religion. What should the precise function of such a global ethic be? I can only reiterate the words of Küng (1998:92)

that a global ethic is not a new ideology or superstructure; it does not seek to make the specific ethics of the different religions and philosophies superfluous thus it is no substitute for the Torah, the Sermon and the Mount, the Quran, the Bhagavad-Gita, the discourses of the Buddha or the saying of Confucius.

The one global ethic does not mean a single global culture far less a single global religion. The global ethic is none other than the necessary minimum of common human values, criteria and basic attitudes (Küng, 1998:92). Or to be precise: the global ethic is a basic consensus on binding values, irrevocable criteria and basic attitudes which are affirmed by all religions despite their dogmatic differences and which can indeed also be contributed by non-believers – by all reasonable and sensible persons. Within the economic household, global ethic is made up of the minimum values, criteria and basic attitudes necessary for and underlying the procurement and the distribution of the necessities, conveniences and amusement in life [to use Adam Smith's definitions] within the global economy. These minimum conditions are, in attainment of an economic order that is "just, harmonious and culturally enriching" (Parliament of the World's Religions, 1999:19) and an order that "move our world towards a just, peaceful and sustainable future" (Parliament of the World's Religions, 1999:5).

From a Reformed point of view, the shared global ethical paradigm is what Norman Geisler (1989:122) refer to, as the great moral creeds of humankind's civilizations, which gives testimony to the general revelation of God. Geisler finds that the striking resemblance is evidence of the universal availability of God's general revelation. As C.S. Lewis (1947:95-121 cited by Geisler, 1989:122) showed, there is a surprising unanimity of understanding of natural revelation as indicated by the great moral creeds of humankind. Geisler argue that the general revelation ["natural revelation" as referred to by C.S. Lewis cited by Geisler, 1989:122] is available to all rationally and morally responsible persons (Geisler, 1989:125) and is sufficient and reliable when properly understood (Geisler, 1989:125). Geisler (1989:125) argues that God is the author of both

the general revelation available to all persons and the special revelation in scripture [also in the Quran, the Torah and others] and there can be no real conflict between them. The absoluteness, as Geisler (1989:112) argues of both the general revelation as well as the special revelation is based in the nature of God, which does not change. As such, the good in general revelation, as in the case of special revelation, is according to Geisler (1989:122), not defined because it is God's will, as this would imply that the goodness of God's revelation is essentially arbitrary. Geisler (1989:122) argues that general and special revelation as the basis of ethical and moral conduct, are essentially good in accordance with God's unchangeably good nature. As such, as revealed wisdom ["Sophia"], general revelation is good. In short, the general moral law is not contrary to special moral law (Geisler, 1989:124). As Geisler (1989:127) puts it, the same moral principles that reflect the moral nature of God are embedded in the general moral law and in the law of Moses. There is therefore harmony between general and special moral law. It therefore follows that the general revelation if duly embraced by rationally and morally responsible persons, as Geisler (1989:125) argues, would also bring fullness of joy – pleasures and for evermore. Following from the above perspective, a shared global ethics option is therefore in my view, deontological in nature. Shared global ethics, as an expression of the general revelation as it applies to all of humanity, is therefore duty-centred and not teleological or base on the tenets of consequentialism. The universality of shared global ethics is therefore not utilitarian in nature and reliant upon the consequential effect thereof. The universality of global ethics as our shared moral law, therefore, spring forth from the general revelation and more specifically, as Kant refer to it (Geisler, 1989:123) the categorical imperative:

Willing for all people what we desire to be done to ourselves.

This Golden Rule is woven through the values, perspectives and assumptions of humanities shared global ethics. The Golden Rule as the categorical imperative as Kant put it, find its expression in the fundamental spiritual inclination of humankind towards good will, generosity, hospitality, compassion, righteousness and justice (Parliament of the World's Religions, 1999:4). These noble values of humanity constitute the fundamental essence of the *Declaration towards Global Ethics*, as formulated by the Parliament in 1993. The Parliament, towards formulating a global ethics paradigm, proposes four vital commitments or imperatives of humanity. These imperatives are defined as shared commitments to a culture of: (Parliament of the World's Religions, 1999:7)

- Non-Violence and Respect for Life
- Solidarity and a Just Economic Order
- Tolerance and a Life of Truthfulness

- Equal Rights and partnership between Men and Women

These shared commitments, as agreed by the Parliament, constitute the elementary shared ethical framework in terms of which the global society should rethink and revise our shared approach to, among other spheres of humankind, such as the global economy. It is from this global ethic perspective, read together with the new narratives and conditions that are emerging from the postsecular paradigm, that I posit we ought to proceed to formulate a new narrative for the postsecular global economy.

8.4 REAFFIRMATION OF CLASSICAL VALUES

From my examination of the emergence of the postsecular paradigm, it is evident that the new narratives and conditions evolving, provide the opportunity to re-embed the economy in an ethical and moral context (refer to Section 8.2). The collapse of the Doctrine of positivism and humanism and the growing trend away from the secular-materialistic nature of the present-day Consumerism, are indicative, as Ziebert and Riegel (2009:300) asserts, of the trend to reaffirm an ethical and moral based value system. This view is supported by Küng (1989:20) that the paradigm shift provides an impetus and greater scope for ethical and moral principles founded upon the metaphysical essence of human existence. This also applies to the economic household. As Küng (1998:208) argues, the global market economy requires a new global ethic that is founded upon minimum conditions and universal ethical standards acceptable to different nations, cultures and religions (Küng, 1998:93). This view is also supported by the Parliament of the World's Religions who called on society and institutions in society to search for "values, perspectives and assumptions that can be examined in the light of the principles of a global ethic" (Parliament of the World's Religions, 1999:4).

As the market model is still appreciated and valued as the most viable and dominant mechanism to maintain and organize the economic household and continue to grow in influence and extend [see Parliament of the World's Religions, 1999:19; Küng, 1998; Vorster, 2007: vii], it follows that the classical ethical and moral sentiments of Adam Smith, should be the basis for the formulation of a global ethic in the postsecular age. As Küng (1998:195) observed "he saw the economy in the wider framework of a moral philosophy." The old-liberalists and neo-liberalists as Küng (1998:195) observes, "in the years following Smith, pay hardly any attention to this embedding of the national economy in the ethical context." As Polanyi (cited by Küng, 1998:195) puts it: "in the end the economy is no longer embedded in social relations, but social relations are embedded in the economic system." I therefore posit, that as the postsecular paradigm, as I have alluded to, create a new environment and conditions to embed the market economy in its proper ethical and moral context, this can best be done by the reaffirmation of the classical ethics and moral principles of Adam Smith. I advance the notion that Adam Smith's ethics and therefore moral sentiments, as the basis upon which he constructed his own thesis for the betterment of human

living conditions, which is the essence of the market economy, can indeed respond effectively to the new narratives and conditions of the postsecular paradigm as it is emerging. In support of my averment, I have deduced the following criteria from the new conditions and narratives of the postsecular paradigm. These criteria constitute the posteriori basis for the examination of the ethical and moral sentiments of Adam Smith as a viable ethic for a global economy in the post-modernized age.

The following posteriori criteria are used for the examination:

- The Golden Rule of Humanity is the Moral Minimum
- Pluralism in ideas and world views
- Metaphysical essence of life free from religious doctrine
- A personal and a unique contemporary experience of life
- Sense of duty and human cooperativeness
- Value of virtue
- Reason and Human conscience as the basis of judgement
- Universal Benevolence of God - the Author of Nature

I now proceed to examine the fundamental tenets of Adam Smith's ethical and moral sentiments in terms of the posteriori criteria and conditions of the new postsecular paradigm. This examination would indicate that Adam Smith's ethical and moral sentiments could effectively address the conditions and narratives of a postsecular paradigm.

8.4.1 GOLDEN RULE OF HUMANITY IS THE MORAL MINIMUM

The postmodernists within the postsecular paradigm question the notion that a religion could assert its uniqueness and superiority. The role, value, precepts and tenets of other religions other than the master narrative of the Christian religion in the western societies are being acknowledge as valuable and of substance and could make valuable contributions to the formulation of a world view and experience of human existence. In this way, the new condition of postmodernism set a different tone among religions as most religions upheld the principle of absolute knowledge in their respective doctrines. These new conditions require of the postmodern society to find a common ethic between religions. Walzer (cited by Küng, 1998:95) therefore calls for a "minimum morality or moral minimalism." Walzer (cited by Küng, 1998:96) therefore makes a distinction between "thin" and "thick" morality. Küng (1998:96), however prefer to speak of "elementary" and "differentiated" morality.

However, Küng agrees with Walzer that a global consensus between all major religions and spiritualities is indeed possible in respect of elementary [thin] morality, which limits itself to some fundamental precepts. Only such “thin” morality according to Küng (1998:96) can be expected of other nations, cultures and religions and be promoted worldwide. This “pure” morality is essentially the core of a global ethic according to Küng (1998:110). A consensus is not necessary in respect of “culturally differentiated” [thick] morality which necessarily contains numerous specific cultural elements” (Küng, 1998:96). The essential core of global ethic can be extended over time through dialogue between religions. Walzer’s argument is that the end product of his effort could be a “set of standards to which all societies can be held” (Küng, 1998:98).

The core of global ethic according to Küng (1998:110) is therefore that every human being must be treated humanely. Because humans possess reason and conscience, every human is obliged to behave in a genuinely human fashion and that is to do good and avoid evil (Küng, 1998:110). Equal to this, what each human wish to be done to himself/herself, should be done to others (Küng, 1998:110). These two principles according to Küng (1998:110) “should be the irrevocable, unconditional norm for all spheres of life, for family and communities, for races, nations and religion.” These two principles are founded in the Golden Rule of Humanity.

The Golden Rule of Humanity is demonstrated by Küng (1998:98) as the moral minimum from which a shared ethic may be deduced. For completeness sake, I recite the Golden Rule, which we find in all the great religions and ethical traditions. I rely on the Golden Rule as cited by Küng (1998:98). The Golden Rule is worded in the following narratives:

- Confucius (c.551-489 BEE): “What you yourself do not want, do not do to another person”
- Rabbi Hillel (60BCE-10CE): “Do not do to others what you would not want to do to you” (Shabbat 31a)
- Jesus of Nazareth: “Whatever you want people to do to you, do also to them” (Matt.7.12; Luke 6:31)
- Islam: “None of you is a believer as long as he does not wish his brother what he wished himself” (Forty Hadith of on-Nawawi, 13)
- Buddhism: “A state which is not pleasant or enjoyable for me will also not be so for him; and how can I impose on another a state which is not pleasant or enjoyable for me” (Samyutta Nikaya V, 353, 35-342,1)
- Hinduism: “one should not behave towards others in a way which is unpleasant for oneself: that is the essence of morality (Mahabharata XIII, 114, 8)

These great traditions have many other maxims, but what is known as the Golden Rule of Humanity constitute the essence of human common morality. This is what Kant refer to as the categorical imperative (Refer to Section 6.9.2). This categorical imperative according to Kant (Geisler, 1989:123) reads as follows:

Willing for all people what we desire to be done to ourselves.

The Categorical Imperative in Adam Smith's ethic is similar in essence as the Golden Rule of Humanity. The unconditional moral obligation in Adam Smith's (1759:140) ethic is the following:

What befalls ourselves we should regard as what befalls our neighbour, or what comes to the same thing, as our neighbour regards what befalls us.

In his unique style, Adam Smith (1759:21) illustrates this categorical imperative in the following manner [I cite the entire passage as I deem this explanation to be the nucleus of his own ethic]:

Though your judgements in matters of speculation, though your sentiments in matters of taste, are quite opposite to mine, I can easily overlook this opposition; and if I have any degree of temper I may still find some entertainment in your conversation, even upon those very subjects. But if you have either no fellow feeling for the misfortunes, I have met with, or more that bears any proportion to the grief which distracts me; or if you have either no indignation at the injuries I have suffered, or none that bears any proportion to the resentment which transports me, we can no longer converse upon these subjects. We become intolerable to one another. I can neither support your company, nor you mine. You are confounded at my violence and passion and I am enraged at your cold insensibility and want of feeling.

This categorical imperative is central to Adam Smith's explanation of the authority and influence of conscience. Essentially in his spectator theory, *The Impartial Spectator* or the voice within

endeavour, as much as he can, to put himself in the situation of the other and to bring home to himself every little circumstance of distress which can possibly occur to the sufferer. *The Impartial Spectator* adopts the whole case of his companion with all its minutest incidents; and strives to render as perfect as possible, the imaginary change of situation upon which his sympathy is founded (Smith, 1759:21).

Adam Smith's categorical imperative based on his spectator theory, in many ways can be interpreted to mean the same as the Golden Rule and central maxim of the great religions and ethical traditions. The categorical imperative in Adam Smith's ethic, like the Golden Rule of

Humanity is indicative of the general ethos and may be construed as the underlying moral law. According to Adam Smith's ethic, it is indeed this categorical imperative that holds society together. In terms of the Stoic philosophy, this imperative is the social bond (Raphael & Macfie, 1982:7) which Adam Smith has referred to as "*sympathy*" (Raphael & Macfie, 1979:7). It is this "*sympathy*" that features in his philosophical construct of *The Impartial Spectator*, which he constructed to illustrate the authority and influence of human conscience. It can therefore be deduced that, like the *Golden Rule of Humanity*, the categorical imperative of Adam Smith's ethic is founded upon the most fundamental element of human conscience and all other maxims are rooted in this unconditional obligation.

8.4.2 PLURALISM IN IDEAS AND WORLD VIEWS

The unconditional obligation in Adam Smith's ethic or the minimum moral law as explained in the preceding paragraph is free of religious dogma and as such, meets the general condition of *moral pluralism* of the postsecular paradigm.

Fundamental to Adam Smith's (1759:235) categorical imperative is habitual sympathy, which is "really the effect of our universal benevolence which is founded upon the conviction that all the inhabitants of the universe the meanest as well as the greatest are under the immediate care and protection of that great benevolent and all-wise Being" (Smith, 1759:235). This averment makes it clear that Adam Smith's (1759:235) ethic is non-discriminating in essence and considers all the "inhabitants of the universe having the same entitlement to the greatest possible quantity of happiness." In his analysis of universal benevolence, he makes no distinction on a person's moral or religious orientation, except his averment that "all the splendour of the highest prosperity can never enlighten the gloom" of those who are having the "suspicion" or "idea" that the "world is fatherless" (Smith, 1759:235). Though he considers such a "suspicion" as a "dreadful an idea" (Smith, 1759:235) he remains non-judgemental and asserts that such a suspicion and dreadful idea will lead to "misery and wretchedness" (Smith, 1759:235). The "joy which necessarily springs from the habitual and thorough conviction" (Smith, 1759:235) of the universal benevolence of Creation "will not be fully enjoyed, as the gloom of so a dreadful idea must necessarily overshadow the imagination" (Smith, 1759:235). For Adam Smith, this is not an *a priori* principle but rather a posteriori principle of the benevolent essence of life. Adam Smith's general maxim is therefore a-dogmatic and free from religious doctrine. As such, it is also similar in essence and metaphysical meaning as the Golden Rule of Humanity.

8.4.3 METAPHYSICAL ESSENCE OF LIFE FREE FROM RELIGIOUS DOCTRINE

Adam Smith's (1759:235) ethic does not advance any particular religious discourse and is a-dogmatic. He advances the notion of universal benevolence, or the idea that "all the movements

of nature and the administration of the great universe is the business of God who directs all the movements of nature and who is determined, by his own unalterable perfections, to maintain in it, at all times, the greatest possible quantity of happiness.” In his ethic, the metaphysical essence of life is founded upon this idea of universal benevolence, which is free from religious doctrine. Universal Benevolence which Adam Smith (1759:235) define as the source of solid happiness is in reality emanating from the immediate care and protection of what Adam Smith (1759:235) referred to as “that great, benevolent and all-wise Being who direct all the movements of nature, to maintain in it, at all times, the greatest possible quantity of happiness.” The full hermeneutical meaning of Adam Smith’s (1759:235) observation of universal benevolence is founded on two elements with metaphysical significance. These two elements are: the unalterable perfections of the benevolent and all-wise Being that Adam Smith also call “the Author of Nature” or God and secondly the splendour of the highest prosperity that the universe enjoy. These two metaphysical elements, if I may use the term, indicates that the universe and humans as a creature within the universe, can enjoy the splendour of the highest prosperity because God in his own unalterable perfections maintain in the universe, at all times, the greatest possible quantity of happiness. The metaphysical essence of life is therefore founded in God’s unalterable perfections, which the universe experiences as the splendour of the highest prosperity. These two metaphysical elements in Adam Smith’s account of universal benevolence are free of any religious doctrine, as neither God’s *unalterable perfections* nor the essence and meaning of the splendour of the highest prosperity have been defined. The metaphysical experience thereof remains personal and unique. The only condition is that a person must have a habitual and thorough conviction that the world is not fatherless and filled with endless misery and wretchedness (Smith, 1759:235). Once again, this conviction is an a-dogmatic conviction free of religious doctrine. Having said that, universal benevolence and the splendour of the highest prosperity that result therefrom, though it is unique and personal would move a person to become wise and virtuous. As such, certain changes in character and behaviour are noticeable. As Adam Smith (1759:235) asserts “the wise and virtuous man, is at all times willing that his own private interest should be sacrificed to the public interest of his own particular order or society.” He would therefore be equally willing that all those inferior interest should be sacrificed to the greatest interest of the universe, to the interest of all that great society of all sensible and intelligent beings, of which God himself is the immediate administrator and director (Smith, 1759:235).

Adam Smith’s ethic is therefore not free of responsibility as the metaphysical essence of life is not all about rights, but also about responsibilities. Adam Smith’s ethic like that of Kant (Küng, 1998:100) does not overlook duty in particular. It is indeed duty as defined in Adam Smith’s account of universal benevolence that distinguishes humans as rational human beings from animals, which only follow inclinations, instincts, drives or external pressures (Küng, 1998:100). It is also because of this conviction that Adam Smith (1759:235) argues that the “the sensible and

intellectual beings” are willing at all times to walk with “more gaiety and alacrity” not only with “submissive obedience but often with shouts of the most joyful exultation.”

In this sense, a person’s duty or wellbeing and a person’s own joy and general obligation to other beings are founded in people’s own conviction of the universal benevolence. It can therefore be understood that human obligation is a claim of reason rooted in a deep conviction which is binding and yet aims at the joy and splendour of the highest prosperity that humans in a personal and unique way can experience. Humans therefore act from conviction and reason, however in principle does not “exclude external authorities [God, natural law].” (Küng, 1998:100). In this context, human autonomy and happiness or the metaphysical essence of life are grounded in the universal benevolence and not in religious doctrine.

8.4.4 A PERSONAL AND AN UNIQUE CONTEMPORARY EXPERIENCE OF LIFE

A very important condition or narrative of the postsecular paradigm is a personal and an unique contemporary experience of life free from religious doctrine. Vorster (2014:46) has observed that in the postsecular paradigm

new conditions are accordingly evolving and that include a revival in the spiritual orientation that is founded upon an a-dogmatic spirituality, where people’s contemporary experience of the metaphysical essence of life is fundamental rather than the doctrines of religions.

Related to this fundamental condition, is what Taylor (2007) observed as a renewal in spirituality and a renewal in the search for the true meaning of life, the fullness and completeness of life. According to Taylor (as cited by Vorster, 2014:41) humans, once more, search for a spiritual experience and completeness that can be experienced in many ways and forms. One of those ways according to Taylor (as cited by Vorster, 2014:41) is religion. However, as mentioned earlier, Taylor asserts that postmodernism does not accept that religion is the only source of spirituality.

The new narrative in the postsecular paradigm with regard to a person’s experience of the metaphysical or spiritual essence of life is therefore characterized by the following:

- Firstly, the experience is personal and unique
- Secondly, it ought to be free from religious doctrine
- Thirdly, a person’s spiritual experience is not confine to religion, though it is the most important source of spirituality

- The spiritual experience should be meaningful and bring fullness and completeness, for the person concerned.

In its correct hermeneutical context, the new conditions in the postsecular age and the narratives founded upon it with regard to a person's unique contemporary experience of life, suggest that a person's spiritual experience of life or what render life complete and meaningful is not confound to religion, but also other spheres or dimensions of being. This could include, in the economic sphere of being, that a person could experience that his creativity, ingenuity, thriftiness, entrepreneurial flair, to mention but a few examples, can, if pursuant in a reasonable and sensible way, render meaning, fullness and completeness with regard to a person's spiritual or metaphysical dimension of being. For instance, a person could pursue his ingenuity or creativity to create, or bring to life, something valuable and that is in demand and in doing so find great spiritual meaning from his success in business. It is within this context that I assert that Adam Smith's *classical exchange model* is unique and indeed foster those aspects of human essence that could render meaning, fullness and completeness to a person in a spiritual sense. In support of my averment, I elect to cite the following examples.

Firstly, Adam Smith's thesis advance the notion that the innate desire of each person for self-betterment ought to be encouraged and protected as a fundamental right of liberty. According to Adam Smith (1776:341), the lifelong womb-to-grave desire for self-betterment positively prompts competitiveness. It also urges individuals and societies to find remedies for the disorders that resulted from the gradual adoption of behaviour of individuals (Kennedy, 2008:74) and to overcome obstacles in the way of progress, such as distortions created by merchants and manufacturers (Smith, 1776:341). Adam Smith therefore considers the principle of *frugality* in high regard. Therefore, Adam Smith asserts that the tenets of policies and behaviour of conduct that interfere with the natural inclination of people, including the strong impulse to better themselves and by misdirecting such impulses, undermines the natural path of progress and prosperity (Kennedy, 2008:66).

Secondly, people's innate propensity to produce a surplus over subsistence, driven by ingenuity should in terms of Adam Smith's classical principles not be restrained, as it gives rise to wealth and prosperity. This inherent quality of mind and character [disposition] is what Adam Smith (Meek *et al.*, 1983:351) "occasioned as the difference of genius rather the reverse." Adam Smith therefore argues that human ingenuity is central to human prosperity and ought to be encouraged.

Thirdly, creativity and ingenuity ought to be encouraged and treasured over idleness and unproductiveness. Adam Smith's four ages theory, his explanation of people's progression from rude societies to the advanced commercial age, identifies people's creativity and ingenuity as perhaps the most importantly cause of the division of labour that "caused the gap between the

hunter gathers economics of North America and the commercial societies in Europe” (Kennedy, 2008:105).

Fourthly, each individual is entitled to pursue his interest with great ambition. However, Adam Smith in his typical practical and realistic observation of life, warned that a person ought not to foolishly give up the pleasure and ease of life in pursuit of selfish ambition and rapacity.

Adam Smith also advance the notion that a spirit of enquiry or curiosity ought to be instilled to find order in the beauty and intended purpose in the utility of objects and events that constitute our being. Adam Smith (1759:45-6) advance this notion because he observed that earlier societies, because they had little curiosity, could not appreciate the tone of tranquillity and composure of the universal order and in particular the beautiful and orderly machine of commerce which is both agreeable in itself and most suitable to nature (Smith, 1759:45-6). Considering the pre-eminence of ingenuity and inquisitiveness to better one’s conditions of living, a person, as well as society as a larger organ of nature, ought to be filled with greater curiosity and a spirit of enquiry. Not only would a spirit of enquiry help explain the chain of events, but in the context of Adam Smith’s (1759:45-6) assertion that utility is the principle source of beauty, a spirit of enquiry would help discover the pleasure of convenience that the utility of any object possesses and intent to promote human enjoyment. Because nature and then more specifically human existence, are filled with objects, whether tacit or otherwise, a human understanding of the pleasure of convenience that objects possess is fundamental for the betterment of human conditions. As such it is therefore growth inducing and ought to be fired up within each person.

These are but a few examples in Adam Smith’s entire corpus of work that support my averment that Adam Smith’s thesis would fulfil the new conditions and narrative in particular with regard to a person’s personal and unique contemporary experience of life, especially in the economic realm. In this regard, his thesis is free of dogmatic dispositions and empowers persons to enjoy life in a meaningful and complete way.

8.4.5 SENSE OF DUTY AND HUMAN COOPERATIVENESS

Küng (1998:92) quoted Huntington, who argues that we “live in a world and a time in which humankind is threatened.” Huntington, according to Küng (1998:92), calls this a “clash of civilizations” for example between Muslim and Confucian civilizations and western civilization. Küng (1998:92) asserts that this threat is real as “there will be no peace between the religions without a dialogue and cooperativeness between the religions.” This is indeed a challenge for the postmodernized society. But, of equal importance is the looming challenge between rich and poor, whether it is on an international scale or among citizens of a nation. This economic and social challenge also requires greater dialogue and human cooperativeness. In this instance, what is required in the economic household, is that individual persons and institutions within society, can

no longer only act from self-interest without due consideration of the consequential effects on others. It also requires that all stakeholders ought to have a real and genuine understanding of one's duty to others and society. The lack thereof is particularly prevalent in the economic households of the western civilization with its capitalism or neo-liberalism orientation. The postsecularist paradigm set new conditions and a different tone as people and societies are becoming less materialistic and existential. Under the new paradigm, the conditions are created to encourage human cooperativeness and a real sense of duty as humans in society is searching for real and meaningful engagements (Taylor, 2007). It is within this context that I have examined the underlying ethic and economic thinking of Adam Smith. Talking into consideration his entire corpus of thought, I have concluded that Adam Smith's ethic and economic system are reliant upon and deliberately advancing the notion that humans should not act from self-interest alone but with due consideration of the consequential influences on others. His scheme of thought also actively advances the precepts of social duty and human cooperation. In support of my averment, I wish to cite the following notions from Adam, Smith's ethic and economic system.

Firstly, Adam Smith's ethic advance the notion that self-interest actions should be pursued in a manner that also advances the rights and abilities of others to an advantageous outcome and by doing so uphold the dignity of others. A central tenet of Adam Smith's exposition as to why some societies [and individuals] prosper and others do not, is individual pursuit. With that is implied the pursuit for personal gain as the driver of economic behaviour and preferences. Self-interest action is innate to human behaviour and in its rudimentary nature is the driver that helps man to survive, preserve itself and procreate. Adam Smith's (1776:456) averment of self-interest as a driving force is a partial one, as he never asserted that self-interest actions were always socially benign. Adam Smith therefore advance the notion that a fair balance ought to be achieved between competing human traits of self-centredness, other centeredness, reciprocity and duty. Self-interest as an economic driver or motive has to be balanced with two fundamental principles of reciprocity and kinship. With the first principles is implied that a person's self-interest action may not limit the right and ability of others to be creative, express their ingenuity and right to a fair exchange of their entitlements [labour, property etc.]. The second principle of kinship implies that my self-interest behaviour may not impact negatively on the dignity of others.

Secondly, each person has to work towards the wellbeing of society. Individual wealth and prosperity is only sustainable within a sustainable society. People's desire to belong and live in a societal context [family or household] is innate to human nature. As such, this propensity of humans is an essential part of natural law that gives order to nature. The dependence of people in society on many dependent others provides the foundation for the development of interactive human behaviour, which is important in exchange of goods and the creation of opulence. The fact that human beings want to belong to society is very important for the creation of wealth and prosperity, as it is within a societal context that humans express their ingenuity. They follow a

particular division of labour and consequentially rely on others to meet the basic necessities and amusement that a person cannot provide for the person itself. It is therefore incumbent upon each person in society to work towards the wellbeing of society.

Thirdly, Adam Smith's ethic clearly articulates that a balance between private interest and public duty ought to be deliberately pursued with the highest degree of rationality. He asserts (Smith, 1759:341-2) that "man is a creature who cannot live without society" and therefore "could not live without laws." This assertion implies that individuals ought to deliberately and within the context of rationalism uphold public interest when pursuing his private concerns and interest. His observation in this regard is that a state of perfect liberty [greatest freedom of association and mobility] is achievable when private and public interest are in equilibrium.

Fourthly, Adam Smith uphold the notion that imprudent behaviour in the name of self-interest gain that jeopardize societies interest ought to be restrained and individuals ought to comply with regulatory systems aimed to safeguard the public interest.

Fifthly, a cognitive awareness of the consequential applied effect of a person's self-interest motivated decisions and passions are required to achieve an agreed valuation or a mutually advantageous outcome. The latter is a central tenet in Adam Smith's ethic and economic system because he regards selfish conduct as not conducive to fair exchange. Therefore, he strongly and decisively advances the argument that people in society that exchange, converse or otherwise, ought to search for a concord of affection to bring harmony and a quicker resolution of the terms of exchange and mutual cooperation subservient or underlying this search for an accord of affection, Adam Smith has upheld two further dispositions. Firstly, he promotes the idea that when applying accumulated knowledge and superior intelligence [applied knowledge] in a cooperative team spirit, individual and societal interest advances more than otherwise. Secondly, a disposition to be friendly, helpful towards others and an understating of the culture and values of others are conducive to growth and prosperity. It is therefore advantageous for individuals and society at large to seek the consent and advice and by implication the commitment of others to suggest a chosen course of action or for what someone occasion for (Meek *et al.*, 1983:254). These few practical tenets in Adam Smith's ethic and economic system are suggestive of his appreciation for and commitment to the very fundamental principle of human coexistence and prosperity, namely human cooperativeness and sense of duty to society.

8.4.6 VALUE OF VIRTUE

Since the Enlightenment advanced humanism and liberties, the balance between human rights and responsibilities have experienced a fundamental shift in favour of human rights. Retrospectively, before the Age of Enlightenment we saw that responsibilities were formulated before the advancement of human rights (Küng, 1998:99). However, as Küng (1998:99)

observed, “200 years after the 1789 Revolution we are living in a society in which individuals and groups appeal to rights against others without recognizing any responsibilities of their own.” Küng (1998:100) therefore raised a very fundamental question. “Don’t we perhaps need a new concentration on responsibilities, particularly in our over-developed legalistic states to balance all the justified insistence on rights.” To that, I may add that human prosperity in the postsecular age or the post-humanistic civilization will depend to a large degree, on human virtue, good moral judgement and a habitual sympathetic relationship between humans among themselves and with the rest of creation. By implication, human liberty as Adam Smith observed will largely depend on the balance between self-interest and societal duty.

What is becoming more evident, is that human responsibility and societal duty, are being considered, together with other ethical and moral consideration as fundamental to human advancement and prosperity in the new postmodernists period (Brown, 2004:39). This is a fundamental tenet in Adam Smith’s ethic and economic system. Like Kant, Adam Smith also consider duty and then more pertinently the need to be wise and virtuous, as fundamental to human essence and it is indeed people’s awareness of duty that distinguishes humans as a rational and sensible beings (Smith, 1759:237) from animal who only follow inclinations, instincts, drives or external pressures (Küng, 1998:100). Küng observed in a similar context that “duty exerts a moral compulsion... and prompting human beings to moral action.”

The concept of virtuousness and societal duty are therefore fundamental to human essence and do not follow from rights, but rather are the effective causes of human rights including human happiness, liberty and advancement. This is evident from Adam Smith’s (1759:237) account of universal benevolence. In his account he asserts that the “administration of the universal happiness... is the business of God and not man.” However, in this analysis, Adam Smith (1759:237) makes a very seminal observation, namely that God will care for the universal happiness of all “rational and sensible beings.” By deduction, this implies that there is a responsibility and duty upon those who desire to enjoy the greatest possible quantity of happiness (Smith, 1759:235) as well as the care of God (Smith, 1759:237), to be rational and sensible. As Adam Smith (1759:237) avers, “to man is allotted a much humbler department, but one much more suitable to the weakness of his powers and to the narrowness of his comprehension... [that is] the care of his own happiness, of that of his family, his friends and his country.” Accordingly, Adam Smith (1759:237) argues that this duty upon man is “more sublime” and “can never be an excuse for his neglecting the more humble department.” In this regard he considers man’s duty and responsibility “more sublime” in comparison to being occupied by what he called “philosophical speculations and contemplation of the prosperity of the universe.” For Adam Smith (1759:237), human duty, responsibilities and being rational and sensible are real and tangible. This particular aspect is very evident right through the entire corpus of his ethic and economic thoughts. This is consistent with his argument that a person of excellent character [Chapter 5,

Section 5.1 “Admirable Traits of Character”] is that person who possesses the virtues of prudence, beneficence and self-command. These virtues are highly regarded in his ethic and therefore he asserts that these virtues are recompensed with “success in every business” (Smith, 1759:166) (refer to Section 6.8.1). He also advances the notion in his ethic that the reward most proper for the practice of “truth, justice and humanity” (Smith, 1759:166) is the “confidence the esteem, love of those we live with” (Smith, 1759:166).

Adam Smith like the Greek moralists, therefore concluded that to enjoy a happy life [having the right to a happy life], one must give prominence to the exercise of virtue “... for the virtuous traits of character are stable and enduring and not products of fortune, but learning and cultivated” (Homiak, 2003:3). A person with good moral character and virtuous traits and habits, determine with greater regularity and reliability what actions are appropriate and reasonable for the advancement of human happiness and wellbeing. In this way, Adam Smith, like other Greek philosophers (Homiak, 2003:3) claims that virtuous traits of character complete or perfect human life. This is similar to what the Stoic philosophers observed and that Adam Smith articulated in his ethic, namely that a person that is virtuous is living coherently (Kennedy, 2008:13). In other words, the value of being virtuous for instance, is not merely indicative of certain tendencies to act in particular ways. Virtues are rather traits of character that one has to acquire by learning and cultivation that gives a person the inner strength to act reasonable and appropriate with the greatest degree of regularity and reliability. Virtues are therefore the effective cause of being excellent in what one desires and the effective cause of being truly happy and enjoy the liberties [human rights] of freedom that we all desire. The question therefore is what is coming first: Is it human rights or human duty and responsibility to be reasonable and sensible. From my analysis of Adam Smith’s ethic, it is the latter. By being sensible and reasonable, all human beings could enjoy the greatest happiness at all times. Therefore, Adam Smith, in his ethic is quite adamant that a person that is excellent in character and acquire virtues of prudence, beneficence and self-command through learning and cultivation will be more rational and sensible and be more successful in life. I therefore conclude that in Adam Smith’s ethic, there is a better balance between human right to happiness and human responsibility. This includes societal duty and to learn and acquire virtuous traits.

8.4.7 REASON AND HUMAN CONSCIENCE AS THE BASIS OF JUDGEMENT

Since the dawn of the enlightenment period and the emergence of the Doctrine of positivism, the secular paradigm that followed has advanced the notion that humans are both rational and subject to desires and accordingly, have the possibility to make decisions in freedom and to act in accordance with their reason (Küng, 1998:100). The paradigm of reason based on secular or existential instinctiveness of human essence, is with the emergence of the postsecular paradigm,

gradually moving towards pluralism in world views and away from absolutism of value and fact. In the postsecular paradigm, a person's personal and unique contemporary experience of life and judgement based on a person's conscience or the values precepts and tenets of a person's own spirituality and associated worldview, are more valued than the hard and cold analysis of fact and value by positivists (Taylor, 2007).

What is emerging in the postsecular paradigm is the growing acknowledgement and appreciation of human sentiment and a personal spiritual experience of fullness and completeness of life (Taylor, 2007 cited by Vorster, 2014:41). The paradigm shift provides a new condition that enables humans to focus on the enchantment of human experiences (Ward, 2003:130). The focus therefore shifts away from a technocracy that dominates human life to a condition where humans are served by technology. As Ward (2003:130) asserts, the new conditions emphasizes and value once more the internal emotions, desires, and longing of human beings. It no longer relies on external planning, control and manipulation of human life. It is all made possible because society no longer rely on the domination of reason and the mechanical and amoral quest for material prosperity and unstrained growth. These conditions of the postsecular paradigm and the associated narratives that advance that human behaviour and preference ought to be deduced from the deep rooted human conscience and sympathetic nature of being, have been upheld by Adam Smith and constitute the essential basis of judgement as advanced in his ethic and economic thoughts.

In his account of self-love, reason and a peculiar sentiment as the basis of judgement, Adam Smith (1759:320) conclude that *self-love* cannot be the basis of judgement. Reason, according to Adam Smith (1759:320), undoubtedly in some respect can be the "source of the general rules of morality and of all the moral judgements which we form by means of them. "However, Adam Smith (1759:320) asserts that "it is altogether absurd and unintelligible to suppose that the first perceptions of right and wrong can be derived from reason, even in those particular cases upon the experience of which the general rules are formed." Adam Smith's (1759:320) averment is that there is something antecedent to reason. Adam Smith (1759:320) argues that those *first perceptions, as well as all experience* [own emphasis] upon which any general rules are founded cannot be the object of reason, but rather of the immediate sense of feeling (Smith, 1759:320) [own emphasis]. This immediate sense of feeling, is according to Adam Smith's account, not a "*sentiment of mind of a peculiar and a particular power of perception,*" [own emphasis] though he does not dismiss it entirely (Smith, 1759:327). In Adam Smith's (1759:327) mind, the three faculties of self-love, reason, or sentiment (Section 6.4) are not the basis of judgement. In Adam Smith's view, it is the faculty of sympathy and not self-love and the immediate sense of feeling nor law and reason that ought to be considered as the basis of judgement and the source and principle of approbation and disapprobation.

He then advances the notion that it is the faculty of sympathy that is the basis of judgement. What is called sympathy and the affections founded upon it, is nothing but habitual sympathy (Smith, 1759:220). He then constructed the philosophical concept of *The Impartial Spectator*, which essentially explains how people's habitual sympathetic nature is constituted, which is founded in human conscience. He further explains the source of human conscience, the authority and influence thereof. In Adam Smith's ethic, the habitual sympathy is analogous to the Stoic philosophy of the social bond which essentially hold existence together. As I have alluded to in previous paragraph, this habitual sympathy is the conditional imperative of Adam Smith's ethic which may be interpreted along the same lines as the Golden Rule that is rooted in all religions and spiritualities.

Taking the entire corpus of Adam Smith's (1759:131) ethic into consideration, the basis of human judgement in some instance is based on human reason [being humans humane faculty and different from the immortal essence]. Essentially the basis of human judgement is the sympathy founded within or the voice within which is human conscience. It is the voice within or conscience that people experience who are thoroughly convinced that the universe is under the "immediate care and protection of that great benevolent and all-wise human Being, who direct all the movements of nature; and who is determined, to maintain in it, at all times, the greatest possible quantity of happiness" (Smith, 1759:235). Accordingly, humans appeal not to human reason [only in some instances], but to the voice within or human conscience. Adam Smith (1759:134) in his ethic also offers an affectual consolation when "man's conscience cannot content the weakness of a person." According to Adam Smith (1759:235), human conscience cannot always alone support a person. Although the influence and authority of human conscience is very great, there are extraordinary occasions, that human conscience, [due to our limited comprehension] cannot content the weakness of a person (Smith, 1759:134). In such cases, wrote Adam Smith (1759:131) the "affectual consolation of the humbled and affected man, lies in an appeal to a still *higher tribunal* [own emphasis], to that of the all-seeing judge of the world, whose eyes can never be deceived and whose judgement can never be perverted." Taking into consideration the corpus of Adam Smith's ethic, this reference to a higher tribunal, the all-seeing judge of the world is referring to God – the Author of Nature. I am therefore convinced that Adam Smith's (1759:131) ethic advance the fundamental principle of human conscience that is partly immortal yet partly too of a mortal extraction. This is fundamental to human judgement and even more fundamentally a reflection of the essence, authority and influence of human conscience. Although human conscience is the principle of approbation and disapprobation, it can never be regarded as absolute and is therefore relative, yet not amoral or secular in nature. This essential aspect of Adam Smith's ethic resonates through the new conditions and associated narratives of the postsecular paradigm.

Secondly, though human conscience is fundamentally grounded and embedded in the universal benevolence and a person's unique world and life view, it does not mean that human essence is heteronymic or being governed exclusively by either natural law or God (Küng, 1998:100) and as such without own cause of freedom. This, most fundamental principle in Adam Smith's ethic is clearly articulated in his account of universal benevolence.

8.4.8 UNIVERSAL BENEVOLENCE OF GOD – THE AUTHOR OF NATURE

In Adam Smith's ethic, he deals extensively with four fundamental elements of human existence that are fundamental to the new postsecular conditions namely:

- The innate disposition of humans is to preserve, protect and procreate, which is the effective cause of humans to toil and bustle in the world. He then thoroughly dealt with the end of avarice of wealth, power and pre-eminence (Section 6.8.2)
- The fundamental importance of virtue and the rewards most proper for encouraging industry, prudence and self-command (Section 6.8.1)
- The fundamental difference, between those who live by deception, the effective cause of people's avarice and rapacity (Section 6.8.2) and those that live with a strong conviction, being the effective cause of enjoying the splendour, happiness and beauty of universal benevolence (Section 6.8.3)
- Habitual sympathy which is essentially founded upon a person's conviction as the conditional imperative of being successful in life and to engage the greatest quantity of happiness (Section 6.6)

Central to all these tenets, is the benevolence that resonates universally or as Adam Smith (1759:235) puts it, the greatest possible quantity of happiness that is maintained and administered (Smith, 1759:237) by God. As Adam Smith asserts, this benevolence of God which is called many names [Smith, 1759:237, the Author of Nature (Smith, 1759:128); the all-wise Being (Smith, 1759:235), the Deity (Smith, 1759:132) are available to all inhabitants of the universe, the meanest as well as the greatest (Smith, 1759:235). It is God "who is determined by his own unalterable perfections to maintain in it, at all times, the greatest possible quantity of happiness." The focus in Adam Smith's (1759:235-237) account of universal benevolence is not merely on the existential aspect of happiness. To the contrary, his averment is that those that contemplate the idea and suspicion of a fatherless world (Smith, 1759:235) will never experience the *splendour of the highest prosperity* that the wise and virtuous person, because of the person's habitual and thorough conviction of the truth of the contrary system, will come to experience (Smith, 1759:235). With this reference, Adam Smith refers to the unalterable perfections of God that is the effective

cause of universal happiness. With this averment, Adam Smith asserts that God's splendour, which essentially is God's unalterable perfections, will be enjoyed by the wise and the virtuous. By implication, those that toil and bustle in this world because of their own deception of what is true wealth and power will enjoy happiness but true joy, contentment, peace of mind and tranquillity, will not spring from their endeavours. To the contrary, their idea and suspicion that their own wealth and power will bring them joy, will be the effective cause, that their existential happiness will not enlighten the gloom that such a dreadful idea encompass and must necessarily overshadow the imagination and experience of the splendour of the highest prosperity. For Adam Smith (1759:235), to be wise and virtuous and to be rational and sensible, are one and the same and central to the enjoyment of the universal benevolence. It is indeed the focus of the administration of the great system of the universe to care for the universal happiness of all rational and sensible being, which is the business of God (Smith, 1759:237). Humans have been allotted the task to acquire virtues through learning and cultivation to be stable and enduring and developing the inner strength to act reasonable and appropriate with the great degree of regularity and reliability. In terms of the new conditions created in the postsecular paradigm, people's search for meaning and fullness of life will be greatly enhancing and encouraged should, the ethic of Adam Smith and his account of universal benevolence be adhered to. As such, Adam Smith's ethic is transcending human existential experience of happiness and standing behind and above it. His ethic is not grounded, like utilitarianism, in the existential experience or utility deduced from it. From my perspective, the true essence of life, the universal happiness and the splendour of the highest prosperity are standing behind Adam Smith's ethic.

Let us now return to the initial four elements of human existence:

- People's innate disposition to preserve, protect and procreate, as the effective cause that drive humans to toil and bustle in the world. A fuller and more complete understanding of God's pre-eminence and God's unalterable perfections would empower the postsecular society to contextualize the reasons for people's disposition to toil and bustle in the world.
- The fundamental importance of virtue. Those that acquire greater virtues of habit will be more sensible, rational and act with greater strength in a changing and global society.
- Having greater inner strength and having the correct basis of moral judgement, would assist humans to be freer from deceptions and prejudices and develop a comprehension of the world that acknowledge the relative nature of human understanding and comprehension.
- Finally, those who develop a habitual sympathy for others and the universe at large, will enjoy the greatest possible quantity of happiness.

These are the central tenets of Adam Smith's ethics that are founded upon the thorough conviction of the universal benevolence of God – the Author of Nature.

8.5 CRITERIA FOR MAKING GLOBAL ETHIC SPECIFIC

In Sections 8.3 to 8.4 aforesaid, I have examined the validity of Adam Smith's classical values and ethical precepts in terms of eight posteriori criteria as deduced from the postsecular paradigm. The aim of the examination was to establish if Adam Smith's classical values and ethical precepts are suitable or responsive to the new conditions and narratives that are evolving. In this Section, I now, based on the above examination and in an indicative mood, summarize Adam Smith's ethic in terms of the criteria as deduced from K ung's (1998:91-113) criteria for making global ethic specific. This would be indicative of the validity of Adam Smith's classical values and ethical precepts as a foundation or nucleus of a global ethic for a global economy. Based on this summary, read together with the examination in terms of the postsecular conditions, I reach my conclusion of the validity of Adam Smith's ethic as the foundation for a new ethical paradigm for the postsecular global economy that is emerging. Firstly, Adam Smith's ethical precepts and values are sufficiently responsive to the highly complex global exchange relations. His ethic is free of religious doctrine and allows for pluralism in ideas and worldviews. The values of prudence, thriftiness, and industriousness that Adam Smith advances are universal values. Likewise, his conditional imperative based on his philosophical construct of *The Impartial Spectator*, is a suitable mechanism to enhance social cohesiveness and to find an amicable balance between the multiple interests of a diverse society. As such, the principle of habitual sympathy on which Adam Smith's ethic relies creates harmony between conflicting interests that prevail at a given moment. So, the starting point of his ethic is always "what is" with a progression from there to "what is realistically achievable under prevailing circumstance". In this way, the world is always seen realistically as it really is and not just, as it should be. Secondly, it penetrates to the deeper ethical levels of virtues, sound moral judgement and advancement of human conscience. The tenets of Adam Smith's ethics aim at social cohesiveness, rational and sensible behaviour and judgement, and a fair realistic societal duty. As such, his ethic set our binding values of virtuousness, inner moral basic attitudes and moral judgement based on a sympathetic inclination and disposition to other beings and creation at large. His ethic is not entangled and stuck on the levels of laws, codified rights and legal jargon with which issue can be taken, nor at the political level of proposing concrete political or religious solutions to society. Most importantly, no religious orientation or doctrine serves as a pre-supposition for his ethic. To the contrary, his ethic is relevant for human prosperity and taking into consideration his entire corpus of thought, promotes and encourage human liberty which are founded on a deep sense of duty and responsibility towards one's own happiness and wellbeing to care for the happiness and wellbeing of all those who are under one's immediate influence. Thirdly, Adam Smith's ethic clearly articulates and encourages a sense of duty and responsibility not only to oneself but also to

others. In this regard his ethic is more than a legal obligation, but rather its strength and conviction are founded in the principle of universal benevolence. The principle that all the inhabitant of this universe, the meanest as well as the greatest are under the immediate care and protection of God and entitled to the greatest possible quantity of happiness. As such, Adam Smith's (1759:235) ethic supports the forces working towards the greatest possible quantity of happiness for all inhabitants of the universe and most importantly to manifest the "*splendour of the highest prosperity.*" More specifically, his ethic is working towards a just economic, social and environmental order that could sustain the greatest quantity of happiness at all times. In this context Adam Smith's ethic does not simply conjure up a cosmic consciousness, global harmony, individual liberty, universal unity and cooperativeness, but in a very concrete form set a framework for economic prosperity that are founded on a strong conviction of universal harmony, societal duty and individual ingenuity and creativity. Fourthly, his ethic is generally comprehensible without technical and academic jargon of whatever origin. His practical style and simplicity of argument promotes understanding. Likewise, his ethic is more inclined towards moral unanimity that just numerical unanimity that most other economic thinkers are guilty of. His statement of fact is free from a priori repudiation by particular ethical and religious doctrines. For instance, though he convincingly and unashamedly advances the conviction of *universal benevolence* and the joy and happiness that emanate, he remains non-judgmental and is not fallen prey to a *a priori* explanation to the unalterable perfections of God - the Author of Nature. Adam Smith's ethic is formulated in a very concrete form and in such a way that others that are agnostic or atheistic can make it their own, even if they do not share the transcendental grounds for his ethic. The reason is that Adam Smith's ethic advances a basic consensus on binding values of virtue, personal basis of judgement based on a person's conscience as deduced from the conditional imperative of *habitual sympathy*. Even agnostics and atheists would agree and find it amicable to be sympathetic to others and treat others according to the Golden Rule of Humanity, which is the essential and fundamental basis of an individual's sympathetic disposition. Adam Smith's ethic therefore does not advance any new global ideology, nor promote one ideology over another. Instead, it works towards a basic consensus and binding value, irrevocable criteria of judgement and a personal basic attribute. As such his ethic encourages a culture of solidarity where own private interests are sacrificed to the public interest of his own particular order or society (Smith, 1759:235). By so doing, Adam Smith's ethic promotes and advances a just economic order with a fair and just balance between private interests and societal duty. At a more pragmatic level, his *classical exchange model* promotes and advances the terms and conditions of honesty and fairness in exchange. Fifthly, in terms of the practical exchange relations, Adam Smith's ethic is founded on three fundamental principles.

- Fair and just balance between private interest and societal duty. More pertinently his ethic advance frugality and parsimony and speak with contempt about human selfishness and rapacity.
- Acknowledge the social nature and essence of human existence. His ethic is rooted in the innate human dispositions that are founded in natural law and promotes the social nature of human beings.
- Promotes human happiness, which is founded on people’s disposition to enjoy ease of life through acquiring conveniences, necessities and amusement of life. However, of equal importance, his ethic advances the deeper meaning of happiness by encouraging the conditions to achieve tranquillity of mind, contentment, mindfulness and peacefulness. In this regard, he acknowledges the relative benefits of human vanity but detest the deception upon which human vanity is founded.

Finally, Adam Smith’s ethic is founded upon the conditional imperative that encourages two basic principles:

- Every human being must be treated humanely; and
- What you wish done to yourself, do to others, or differently said, “We should view ourselves in the light in which any other citizen of the world would view us. What befalls ourselves we should regard as what befalls our neighbour, or what comes to the same thing, as our neighbour regards what befall us” (Smith, 1759:140) – *This is the social bond that holds society together – whether it is the economic household or the entire universe.*[own emphasis]

I therefore conclude from my examinations, that Adam Smith’s ethic in terms of the new conditions and narratives of the postsecular paradigm is most suitable and responsive to the new conditions of the reality that is unfolding. Secondly, in terms of the criteria for a global ethic, Adam Smith’s classical ethical values and precepts are suitable to constitute the foundation for a global ethic for a global economy.

I now proceed to set out the outlines of such a global ethic, which in my estimation, if pursued, would change individual behaviour and preferences in a postsecular society that are searching for the fullness and meaningfulness of life.

8.6 OUTLINE OF A NEW ETHICS PARADIGM

Based on the examination of Adam Smith’s ethical precepts, values and criteria in terms of the changing conditions and narratives of a postsecular paradigm and the criteria for making a global ethic specific, I conclude that the essential foundation of such a new ethics paradigm should be the classical values, precepts and principles that are incorporated in Adam Smith’s ethic. I now proceed to offer the outlines of such a new ethics paradigm. For this purpose, I set out the

framework of such a new ethic in terms of seven ethical principles that are fundamental to human economic behaviour and preference, thereafter I outline the admirable traits of virtue and conclude the outline with the recommended basis of moral judgement. This outline is not complete and comprehensive. As the principal research question of this thesis is how an individual's economic behaviour and preferences can be reshaped and guided by shared theocratic ethical principles and virtues, I have incorporated in the outline, only those relevant ethical principles and virtues that would, if pursued answer the principal research question. Once I have set out the outline of a new ethic, I conclude this chapter with an illustration of how individual economic behaviour and preferences and also that of the society at large, can be reshaped and guided by the new ethics paradigm as an integral part of a discernible economic growth model.

At the outset, I wish to draw the distinction between those ethical principles of behaviour that are deduced from the beauty of their utility and those that deduce their beauty from an even higher order. In the first instance, ethical principles of behaviour are established through the multiple interactions between persons, that most often than not, result in an acceptable outcome for either the person, society or preferably both. Those principles of behaviour that I have outlined as principles 1 to 7 are of this category. These principles are relative, as the principles are deduced from their utility. In this latter group or category, the ethical principles of virtue derive their *beauty*, not merely from its utility, but a higher order of virtue that is pure and unalterable. These principles are absolute and are always recompensed with wealth and external honours (Smith, 1759:166). These ethical principles of virtue as listed in principles 8 to 11 are of this group. These ethical principles of virtue could be further extended and may include other cardinal virtues such as fortitude, magnanimity, integrity, temperance, self-awareness and justice. These qualities of virtue may also be interpreted, though the interpretation is personal and not absolute, as reflections of the unalterable perfections of God that resonate in the universe and that are experienced as the "splendour of the highest prosperity" (Smith, 1759:235).

Let me now proceed to outline the seven ethic principles that if pursued, would shape and guide a person's economic behaviour and preferences towards greater economic prosperity. Thereafter, I proceed to outline the virtues of prudence, beneficence and self-command, being the tenor of conduct of the person that is more often than not recompensed with success in business and life in general. For a more detailed examination of the classical values, precepts and principles incorporated in the outline, please refer to Chapters 4, 5 and 6.

PRINCIPLE 1: The innate desire for each person for self-betterment ought to be encouraged and protected as a fundamental right of liberty.

As no human being is so perfectly satisfied that he is without a wish of alteration or improvement of any kind (Smith, 1776:341), a human being will continue to strive to better his conditions of living. In fact, this is a lifelong womb to the grave desire that spur humans to better their conditions

by augmenting their fortune, for instance through savings and accumulating their capital. In the greater part of human beings, taking the whole course of human life at an average, the principle of frugality seems not only to predominate, but to predominate very greatly (Smith, 1776:341, 345, 305). It is this desire of human beings that explain why some individuals and societies are more prosperous than others and pursue the betterment of living conditions with greater ambition. It is this ambition that prompts some individuals to creating a surplus stock (i.e. Food); to save their stock for future use and to employ industrious people (Smith, 1776:65) in order to sustain and better their conditions of living. This innate desire of each person for self-betterment ought therefore to be encouraged and protected as a fundamental right of liberty.

PRINCIPLE 2: Individuals as well as society as an organ of nature, ought to be filled with greater curiosity and a spirit of enquiry.

Following from an individual's own ingenuity together with the drive to better living conditions, each person can produce a greater quantity of output well beyond that which the person requires for his/her own needs and for those of the person's family. It is the existence of surplus output beyond their own ingenuity that spurs on the wheel of circulation and put in motion the process of creating wealth and prosperity. This innate prosperity of humans to produce a surplus over subsistence, driven by ingenuity should therefore not be restrained, as it gives rise to wealth and prosperity for the person concerned and ultimately the society at large. Creativity and ingenuity ought therefore to be encouraged and treasured over idleness and unproductiveness. Within this context, the toil, hustle and hardship of our daily existence would take on a highly significant meaning. Today, like in the past, our toil and trouble and then more pertinently the human quality of creativity and ingenuity provides the access to unimagined necessities, conveniences and amusement in life (Kennedy, 2008:121) and ought to be encouraged and treasured. In attainment of this ideal, it is so important that each individual should be entitled to pursue personal interest with great ambition. However, in the interest of the person and society, self-interest ought not to be pursued with the degree of ambition where the pleasure and ease of life is sacrificed. What is of equal importance, is that each person ought to enjoy life to the full and find the full meaning of life. For this reason, a spirit of enquiry or curiosity ought to be instilled to find order in the beauty and intended purpose in the utility of objects and events that constitute our being. Unless we encourage curiosity and a strong spirit of enquiry, our experience of nature in particular and life in general, might fill us with terror and amusement, with the result that we do not gain an admiration of the beauty thereof. The consequence thereof is, that we will find it difficult to find order and beauty in the chaos of jarring appearances (Smith, 1759:41-5) and it exacerbates the tumult of the imaginations (Smith, 1759:41-5). Considering the pre-eminence of ingenuity and inquisitiveness to better our conditions of living, individuals, as well as society as a larger organ of nature, ought therefore to be filled with greater curiosity and a spirit of enquiry. Not only would a spirit of enquiry help explain the chain of events, but in the context that utility is the principle

source of beauty of material objects (Smith, 1759:179), a spirit of enquiry would help discover the pleasure of conveniences that the utility of any object possesses and how material objects are intended to promote human enjoyment. Because nature and then more specifically human existence, are filled with objects, whether tacit or otherwise, people's understanding of the pleasure of convenience that objects possess is fundamental for the betterment of human conditions and a better understanding and experience of the true meaning and beauty of life. As such, it is therefore liberating and growth inducing and ought to be fired up within each person.

PRINCIPLE 3: Every person ought to realize that it is not advantages for one's own dignity and advancement to rely on the benevolence, generosity and charity of others.

In the postsecular paradigm, it is of vital importance to restore the dignity of all persons. The secular-materialist nature of the secular age has created the conditions and narratives whereby individual *self-interest* has become the motto and the essential driver of economic prosperity. The end result is a huge divide between rich and poor, those that possess and those that have seen their own dignity, estate and esteem diminished or trampled upon. The consequence thereof is that the dignity of many has to be restored. In attainment thereof, every person has to realize that it is not advantageous for one's own dignity and advancement to rely on the benevolence, generosity and charity of others. Though humans are in constant need of the assistance from other human beings, it is in vain to rely on the benevolence, generosity and charity of others, other than in emergency and then only occasionally (Meek *et al.*, 1983:493). The reason being is that generosity of people and charity towards their fellows and the occasional help for those in need (Meek *et al.*, 1983:493) "is but a temporary or an occasional relief."

To way to restore the dignity of others in a postsecular paradigm, *everyone* – labourers, landlords, capital providers and inventors – ought to be afforded the right to enjoy the fruits of their labour or contribution, because it would most likely encourage them to exert themselves to better their conditions, strive to acquire more and to work towards a greater prosperity. Instead of a moral appeal to the conscience of employers or legislators, an ethical and economic case can be made for a high-wage economy, as the liberal reward of labour would encourage the propagation and the increase in domestic production (Smith, 1776:99). The wages of labour are the encouragement of productiveness in industry, which like every other human quality, improves in proportion to the encouragement it receives (Smith, 1776:99). Secondly, we have to preserve the dignity and wellbeing of others by ensuring that the poverty stricken, uneducated, the sick and those who lack vitality, both physical and mental, could enjoy equal opportunities of sharing in the prosperity of society. To preserve the dignity and wellbeing of others and in particular those listed above and fellow labourers that toil and sacrifice clearly for the wellbeing of society, can never be regarded as an inconvenience to the whole. No society can be flourishing and be happy, if the far greater part of the members is poor and miserable. "It is but equity besides, that they who feed,

clothe and lodge the whole body of the people, should have such a share of the produce of their own labour as to be themselves tolerably well fed, clothed and lodged” (Smith, 1776:96). Thirdly, with regard to self-interest action that is so prevalent in the secular society, such actions should be pursued in a manner that also advance the rights and ability of others to an advantageous outcome and by doing so, uphold their dignity. Self-interest action can only be a driver of economic behaviour and preferences, if the two fundamental principles of reciprocity and kinship that are innate in human behaviour from the beginning of creation, are upheld. With the first principle is implied, that a person’s self-interest action may not limit the right and ability of others to be creative, express their ingenuity and right to a fair exchange of their entitlements. With regard to kinship, the principle is upheld that a person’s self-interest actions may not impact negatively on the dignity of others. For instance, should I pursue in my business endeavours to attain the greatest profit, while my labourers are underpaid or not enjoying at least a subsistence wage and could not equally enjoy the fruits of their contribution, the person is not applying the principle of kinship, but instead is engaged in selfish rapacity. Fourthly, to satisfy one’s own interest, one needs to address the interest of others. As humans stand in near total dependence on other humans, in contrast to the mature self-sufficiency of most other animals who do not have occasion for the assistance of their kind (Smith, 1776:26), a dependent person will be more likely to prevail if he can interest the self-love of others in his favour and “show them that it is for their own advantage to do for him what he requires of them” (Smith, 1776:26). In this symbiotic and reciprocal relationship, whereby both parties have a genuine regard for the interest of the other, the dignity of all persons is promoted and advanced. This requires an approach whereby the self-interest behaviour of a person becomes other-centred (Meek *et al.*, 1983:307) with a genuine and real commitment to an advantageous outcome for all. Finally, to restore the dignity of those who are deprived of a fair and equitable life, the general appeal ought not to be towards the beneficence or the moral conscience of others, but rather to call upon and encourage every person to be frugal and parsimonious in order to employ the greatest number of persons. In this, there is a moral obligation on the whole of society, the sovereign and those in power, to take the necessary remedial steps to correct or eliminate all obstacles that may adversely affect the employment and restoration of the ingenuity, inquisitiveness and dignity of all citizens.

PRINCIPLE 4: In order to achieve the greatest degree of prosperity, stability and confidence, individuals and societies ought to show a genuine fellow feeling for the desires and passions of others and a real indignation of their injuries and uncertainties.

For any household, especially the economic household, to prosper and advance the interest of all inhabitants, the greatest degree of stability and confidence ought to be encouraged. This is not only achieved through the negative virtue of justice and jurisprudence, but most importantly, through the fair and equitable conduct of all the inhabitants. In attainment thereof, the following ethical principles of behaviour ought to be advanced and upheld. It all starts by showing a genuine

fellow feeling for the desires and passions of others and a real indignation at their injuries and uncertainties. If people do not have a fellow feeling for the misfortunes of others, no indignation at their injuries and insensitivity for the resentment that others have, they can no longer converse and work towards a mutual beneficial outcome (Smith, 1759:21) and the mutual confidence eroded, resulting in instability. In order to reduce underlying disputes, tones and tempers (Kennedy, 2008:114) all citizens ought to work towards an agreed and valued outcome that requires cooperation and compromise in exchange dealings and in the economic discourse in general. This requires that we ought to behave at all times in a manner that promote and encourage a fair reward that is proportional to the quantum benefit of a certain task in society. In determining the quantum of fair reward, utility and not principles ought to be the criteria of an award. It is therefore implied that the consequential benefit for society should be the basis of assessment. In Adam Smith's (1776:719) estimation, a fair reward, either in the form of a profit or a remuneration, should follow in consequence of a certain performance and ought to be proportional to the diligence employed in performing certain tasks. In bringing this to fruition, selfish conduct is not conducive to fair exchange and a proportional quantum of benefit. What is in fact needed is that all parties ought to search for a concord of affection, bringing harmony and a quicker resolution of the terms of exchange and the general consensus on the proportional quantum of benefit. An attitude that threaten the future of all contracting parties and all citizens due to a mutual lack of empathy, distorts perceptions and create a divide that make fair exchange and a mutually agreeable compensation less possible. In pursuit of this, all stakeholder's ought to realize that there are indeed different solutions and expectations and what is true for one party is true for the other. To achieve the greatest degree of stability in circumstances where opposing views are expressed in an angry or violent manner (Smith, 1759:22), the afflicted party must flatten the sharpness of their natural tone in order to reduce the tension and bring it to the harmony and concord with the emotions who prevails. A concord is achievable, by lowering expectations of self-interest to be more acceptable and to meet contracting parties, by both sides reviewing their passionate stances, looking at them in some measure with the eyes of the other party. This reflected passion is much weaker than the original one and it necessarily abates the violence of what is felt at the beginning of the exchange or negotiations. A further consideration is to pursue a balance between private interest and public duty or societal interest through a deliberate intervention with the highest degree of rationality. Due to the individual and societal preferences, desires and aversions, the world is not so governed that private and social interest always coincide. Likewise, the society and the economy are neither entirely effective in practice, to reconcile rights, responsibilities, duty and self-interest. Whichever way, a deliberate intervention is required to balance private and public interest and duty. In this regard, governments and not the markets only have the responsibility to uphold justice. Governments ought to deliberately and

with great rationality [reason and sensibility] pursue a large-state agenda to prompt the interest of individual persons and society at large.

Likewise, individuals ought to engage in economic activities like the exchange of goods and services, not merely from their own interest, but deliberately work towards the mutual benefit of others. Reciprocity is further advanced by each person having a cognitive awareness of the consequential applied effect of one's self-interest motivated decisions, passions and actions to achieve a mutually advantageous outcome, whether it is between individuals and other individuals or society. Supplementary to that, all of society ought to respect and protect the rights of others [i.e. property rights] with the same diligence and prudence that society expects in return. The right of utility of property, whether natural or acquired by others, should therefore be upheld as a reciprocal right of oneself. In order to deal with disputes and disagreements that arise from a breakdown in stability and confidence, it is more advantageous that the proclivity for dispute resolution and aversion ought to be inculcated in individual behaviour as a positive virtue that is more beneficial and advantages then the negative virtue of justice. This aspect is vital for the social cohesiveness, stability and security in all societies, especially in commercial societies with an advanced and complex system of interest. Finally, to adhere to the greatest degree of stability and confidence, it is advantageous to show gratitude and respect to the rich and powerful, for their ambition and leadership are creating opportunities for human advancement and prosperity. In the larger scheme of arrangements, the rich-powerful elite cannot be dismissed from society and their deceptive lives hold some advantage for society at large. Without the rich and powerful, the world would be a poorer place and the stability of society, to the detriment of the weak and vulnerable, will be undermined. The same hold true for the sovereign. To achieve the highest degree of stability and confidence in society each person ought to show respect for authority, the dignity of the sovereign and uphold the law and order. As the educated person is more disposed to respecting those appointed over them (Smith, 1776:785-6), an appeal should go out to work towards advancing intellectual, social and moral virtues, since this would help the larger populace to be lifted from ignorance.

PRINCIPLE 5: Society ought to create conditions that are conducive to and encourage fair and reasonable expectations of a beneficial future.

People's desire to belong and live in a societal context [family or household] is innate to human nature. As such, this propensity of humans is an essential part of natural law, which gives order to nature. It is within a society where individuals began to endeavour to make their mutual wants intelligible to each other (Bryce, 1983:203). Likewise, it is in societies where individuals learn how to express themselves to get what they want besides using violence or dominating behaviours (Kennedy, 2008:41). Furthermore, it is within a societal context that humans develop minimum conditions of behaviour and conduct (Kennedy, 2008:41) and it is within a societal context, that

society set ethical norms and principles that shape and guide individual economic behaviour and preferences. Ultimately, it is from social pressure of living in society, that we judge the merits or demerits of our behaviour. It is also within a societal context that we trade, barter and exchange. It therefore follows, that each person has to work towards the wellbeing of society. It is then only in a sustainable society that individual wealth and prosperity can be sustained. We ought to act, therefore in a prudent manner with the intent to produce the greatest value and render the greatest revenue to society as well as for personal gain. It is indeed through the principle of common prudence (Smith, 1776:295) that every individual ought to endeavour as much as he can to employ his capital in the support of domestic industry and so direct that industry to produce the greatest value. Though the individual person, neither intends to promote the public interest, nor knows how much he is promoting it (Smith, 1776:456) he act intentionally with an expectation of something that is presently invisible, to manifest in time. It is indeed the expectation of something beneficial resulting from the person's intentional acts, that is helping the person to overcome his inherent risk aversion and to venture into something that at the time of the act is only an expectation or a strong belief that something good will happen. It therefore follows that the necessary stability, confidence and cooperation in society ought to be upheld in order not to undermine expectations and create conditions of doubt and uncertainty. It is indeed essential to create conditions that are conducive to and encourage fair and reasonable expectations of a beneficial future.

From earlier societies onwards, those societies who worked towards the greatest interest of society through a cooperative team spirit have experienced that individual and societal interest advance more than otherwise. It is therefore prudent that individual persons and society at large ought to be working in a cooperative manner that is mutually beneficial. A spirit of national unity and cooperative team spirit are therefore essential for the advancement of individual and societal prosperity. Likewise, imprudent behaviour in the name of self-interest ought to be restrained and individuals ought to comply with regulatory systems aimed to safeguard the public interest. As people do not act aimlessly and their acts do lead to bad outcomes (Kennedy, 2008:162), especially when individuals act in a fraudulent manner deliberately, the natural liberty of a few individuals who endanger the security and wellbeing of the whole society should be restrained by the laws of all governments, of the most free as well as the most despotic (Smith, 1776:324). It is therefore prudent to restrain individual self-gain that jeopardize the wellbeing of society and preventative action ought to be taken to safeguard public interest.

PRINCIPLE 6: Each person and society as a whole ought to develop a disposition to be friendly, helpful towards others and have an understanding of the culture and values of others.

The more developed the society, the more interconnected are the economic household nationally and internationally. Good neighbourliness and acceptance of the cultures of others are therefore

a prerequisite for enhancing reciprocal trade and exchange. Likewise, especially in a diversified and heterogenic society, one ought not to regard others as ignoble and contemptible (Meek *et al.*, 1983:255). It is also advantageous to seek the consent and advice and by implication the commitment of others to a suggested chosen course of action (Meek *et al.*, 1983:254). It is therefore deemed prudent and advantages to develop a disposition to be friendly, helpful towards others and have an understanding of their culture and values.

PRINCIPLE 7: The temptation to prodigality ought to be resisted and we ought to be rather frugal with money and other resources.

Generally speaking, consumption is the sole end and purpose of all production. However, this does not imply that in the most basic terms, a person's consumption should be equal or more to a person's production of income. In more contemporary terms, Adam Smith's ethic and classical values advance the notion that a person ought to produce more than he consumes or differently said, a person's expenditure ought not to exceed a person's income and on the contrary, should be less.

The reason is that "accumulation of stock must in the nature of things, be previous to the division of labour" (Smith, 1776:278) which is driving the creation and spreading of opulence. Accordingly, the temptation to prodigality ought to be resisted and we ought to be rather frugal with money and other resources to accumulate savings [surplus revenue]. Frugality, as a quality of being economical with money and resources is of great importance. Prodigality or the excessive or wasteful spending, often with the eye towards the luxuries, is contrary to good order and the advancement of human liberty. The prodigality or the misconduct of individuals, serious as these behaviours may be individually, can never restrain and limit society, because the profusion or imprudence of some are always more than compensated by the frugality and good conduct of others (Smith, 1776:341). However, for the compensatory force of frugality to be strong enough to overcome prodigality and misconduct, it must be propelled by fairly strong and persistent pressure throughout society (Smith, 1776:341). A person and in view of the above proviso, also a society at large, ought therefore to be parsimonious with money and resources and be willing to accumulate capital for investment in productive means and the employment of productive labour. It is therefore parsimony (Smith, 1776:337) to increase the fund that is destined for the maintenance of productive hands and to increase the level of employment. Through the increase of employment, labour adds to the value of the object upon which it is bestowed, which in turn increases the exchangeable value of the annual produce of the country. By putting into motion an additional quantity of industry or national production, the annual produce increase in value (Smith, 1776:337).

Should an individual temper his frugality, he would pervert his capital from its proper use and not only society, but also the individual concerned, would be less flourishing or parsimonious (Smith,

1776:338). What therefore is at stake (Smith, 1776:339), is an extreme choice between prodigality and parsimony. The prodigal spends revenue and leaves nothing behind. The amount spends on consumption and diverted from savings adds nothing to his revenue in the next period because his consumption is a leakage, not an investment. The proportion allocated between capital and revenue (Smith, 1776:337), therefore determines the proportion between industry and idleness. It therefore follows that prodigality and financial misconduct ought to be contained as it perverts the progress of liberation and keep the prodigal person in a state of being dependent on others for a subsistence and the means of living. It also affects the gross inequality of income and the circumstances of the poor persists (Kennedy, 2008:257). To change the conditions of the poor, the vulnerable, the downtrodden, despised, society ought to be generous and charitable. However, it is even better to contain the parsimony in society and advance frugality in conduct to drive the poor and the unemployed into employment to share in the annual consumption of the necessities, conveniences and amusement of life.

The above outline the most fundamental seven ethical principles of a new ethics paradigm. If these seven fundamental principles were pursued, the individual's economic behaviour and preferences would be shaped and guided in a manner that advance individual prosperity and wellbeing and ultimately society at large. Most notably, these seven fundamental principles, if inculcated, would have the following beneficial consequences:

- Advance the rights and conditions of all persons to work towards their self-betterment. Self-betterment, self-reliance and actualization are therefore attained.
- Encourage ingenuity, curiosity and creativity. This would create the conditions whereby every person could produce a surplus of wealth over subsistence. It would discourage idleness and unproductiveness and advance individual ambition, a spirit of enquiry and curiosity. Ultimately, each person will find order in the beauty and intended purpose of life and a better understanding of the chain of events and the beauty of material objects. The end result is contentment and less dependence on immediate gratification.
- Ensure that everybody enjoy the fruits of their contribution to society. This will restore and advance the dignity of all persons. The dignity of those who are vulnerable is preserved. The consequential benefit is that a person is less dependent on others and could be a productive contributor to society. By attending to the needs of others, a productive person can further advance personal prosperity.
- Enjoy a high degree of stability and confidence. This is achieved by developing a genuine feeling for others, promoting the wellbeing of others, working towards a concord of affections, maintaining a balance between private and public interest, protecting the rights of others and showing gratitude to the sovereign, rich and powerful and all those

who work to create opportunities to advance prosperity in society, stability and confidence.

- Enjoy the cooperativeness of others. By working towards the greatest benefit to and wellbeing of society, a person could enjoy the cooperativeness, care and protection of others in society, resulting in a mutually beneficial outcome for all.
- Understanding the culture and values of others and not to regard them as ignorable and contemptible, create a strong network and a general disposition of friendship and good neighbourliness.
- Encouraging frugality and parsimony would advance liberty and freedom and reduce the state of being dependent on others for a subsistence and the means of living.

These are the seven core principles. Self-betterment, creativity, curiosity, human dignity, cooperativeness, stability, confidence, frugality and parsimony are the core principles included in the new ethics paradigm. These principles are only attainable if an individual person and society as a larger organ of nature develop the correct tone of temper or tenor of conduct. In this regard, the virtues of prudence, beneficence and self-command are essential inner qualities of strength that ought to be inculcated and the moral fibre of a person and society ought to be imbedded in these virtues. As the Greek moralists concluded, one must give prominence to the exercise of virtue, for virtuous traits of character are stable and enduring. A person with good moral character, having virtuous traits and habits, determine with greater regularity and reliability what actions, behaviour and preferences are appropriate and reasonable for the advancement of human happiness and wellbeing (Homiak, 2003:3). In this way, virtuous traits of character complete a perfect human life (Homiak, 2003:3). By being virtuous, a person is most inclined to a proper judgement that is reasonable, rational and sensible. Most often than not, a person of good behaviour with reasonable and sensible preferences is rewarded with great prosperity and esteem. The admirable traits of prudence, beneficence and self-command are therefore included in the new ethics paradigm.

PRINCIPLE 8: The virtue of prudence ought to be developed, as prudence is the effective cause of steadiness, stability and frugality.

The prudent person is essentially focused on the care of his/her health, of his fortune and his/her status and reputation, the objects upon which his/her comfort and happiness in his/her life are supposed principally to depend (Smith, 1759:213). The prudent person “though not always distinguished by the most exquisite sensibility is indeed characterized by the sober esteem of modesty, discretion and good conduct” (Smith, 1759:214). When prudence is carried to the highest degree of perfection, a person acts with perfect propriety in every possible circumstances and situations. It is the person with the “best head joined to the best heart” (Smith, 1759:216). It

is indeed perfect wisdom combined with perfect virtue (Smith, 1759:216). The prudent person accordingly has no anxiety to change a comfortable situation and does not go in quest of new enterprises and adventures that might endanger the person's fortune, health and dignity; unless such adventures and enterprise increase the secure tranquillity, which the person actually enjoys (Smith, 1759:215). For this reason, when and if the person enters into any new projects or enterprises, they are likely to be well concerted and well prepared. The prudent person can therefore never be hurried or driven into them by any necessity but has always time and leisure to deliberate soberly and coolly concerning what are likely to be their consequences (Smith, 1759:215). The methods of improving one's fortune in a prudent or secure manner, are therefore those (a) that do not expose one's health, fortune and dignity to loss or hazard; (b) that require real and applicable trade or profession, assiduity and industry or the exercise of it; and (c) that promote frugality and even some degree of parsimony, in all expenses (Smith, 1759:213).

With regard to the steadiness of a person's industry, labour, enterprise, initiatives and frugality, the person who act with prudence, would be prepared to sacrifice the ease and enjoyment of the present moment for the probable expectation of a still greater ease and enjoyment in future (Smith, 1759:215). For this reason, a prudent person lives within the person's income and is naturally contented with the person's situation, which by continual, though it may be small accumulations, is growing better and better every day (Smith, 1759:215). The regard of prudence allows the prudent person to gradually relax, both in the rigour and in the severity of the person's parsimony and the person feels with double satisfaction this gradual increase of ease and enjoyment, from having felt before the hardships which the person experienced (Smith, 1759:215). For this reason, the prudent person not only lives within the person's income, but is also not willing to subject and take on responsibilities which the person's duty does not impose on the person. When distinctly called upon, the prudent person (Smith, 1759:216) will not decline the services of his or her country, but the person will not cabal to force him/her unto it. He or she would be much better pleased that the public business is well managed by some other person, than the person himself having trouble and incurring the responsibility of managing it.

Furthermore, the prudent person is always sincere (Smith, 1759:214). As the person is cautious in the person's actions, so the person is reserved in the person's speech and never rashly or unnecessarily obtrudes the person's opinion concerning either things or persons. Though the person's conversation may not always be very sprightly or diverting the person is "always perfectly inoffensive" (Smith, 1759:214). However, though the person may be sincere and often command a certain cold esteem that seems not entitles to any ardent love or admiration, the prudent person is very capable of friendships. For this reason, the prudent person though very capable of friendships and good neighbourliness, rarely fragments and more rarely figures in this convivial societies which are distinguished for the jollity and gaiety of their conversations (Smith, 1759:214).

The prudent person, though the person may command a certain cold esteem and not always bestowed with ardent love or admiration, is the one that is the most frugal with the greatest steadiness and cautious in his/her actions. As such, the virtue of prudence is valued and most often recompensed with great success in business and life. As such, the prudent person is the foundation of society upon which society can rely and trust. The prudent person may not command ardent love and admiration, but the person is sober in esteem, modest with great discretion and good conduct. The virtue of prudence is therefore the effective cause of the steadiness, stability and frugality that a person and society that value the virtue, experience.

PRINCIPLE 9: The virtue of beneficence ought to be instilled as security, trust, care, justness and hope, which are inner strengths that are the effective results of the virtue of beneficence.

As mentioned in the aforesaid paragraph, the virtue of prudence is the effective cause of the inner strength of steadiness, stability and frugality that people who value the virtue possess. Likewise, the sense of security, trust, care, justness and hope are inner strength that are the effective results of the virtue of beneficence. The virtue of beneficence is the disposition and inherent quality acquired not to harm or hurt others and secondly to take care of the happiness of those that nature recommend. The virtue of beneficence should not be confused with benevolence, the term that articulate and accentuate the tone and temper of altruism, clarity and doing good works. By nature, human beings are bestowed in various degrees with a sense of sympathy for oneself and then also for other persons. This sympathy in reality, is nothing but habitual sympathy (Smith, 1759:220). Our concern for our own happiness and misery as well as those of others and the affection or desire to promote the one and to prevent the other, is either the actual feeling of that habitual sympathy, or the necessary consequences of that feeling (Smith, 1759:220). This feeling of habitual sympathy and the affections founded in it, is the effect of universal benevolence (Smith, 1759:235). The idea that a mischievous, though sensible being naturally provoke our hatred and the ill will which, in this case, we bare it, is really the effect of universal benevolence (Smith, 1759:235). Universal benevolence is therefore the effective cause of the human sense of beneficence. We acquire the inner strength and disposition to feel the misery of other innocent and sensible beings because of our own conviction and mindfulness that all inhabitant of the universe, the meanest as well as the greatest, are under the immediate care and protection of God. God directs all the movements of nature and who is determined by his unalterable perfections to maintain in it at all times the greatest possible quantity of happiness (Smith, 1759:235) has the collective conscience of universal benevolence. The degree with which we experience this habitual sympathy for oneself and then also of other beings, is dependent on the degree of a person's individual conviction that the universe is filled with happiness; that all persons are entitled to enjoy the greatest quantity of happiness and that no pain will overshadow the light of joy and the splendour of the highest prosperity (Smith, 1759:235). A person who acquires this strong sense of sympathy has a "sacred and religious regard not to hurt and disturb in any respect

the happiness of other people, even in those cases where no law can properly protect him” (Smith, 1759:218). Likewise, because of a person’s habitual sympathy and conviction that every person is entitled to the greatest quantity of happiness and that this universal benevolence ought to be protected with a sacred and religious regard, a person is entitled to protect his own esteem, estate and dignity with a similar vigour. A beneficent person is furthermore always willing that the person’s own private interest should be sacrificed to the public interest of the person’s particular order or society (Smith, 1759:235). The person is at all times willing too “that the interest of his order of society should be sacrificed to the greater interest of the state or sovereignty, of which it is only a subordinate part” (Smith, 1759:235). “He is also therefore, equally willing that all those inferior interests should be sacrificed to the greater interest of the universe, or the interest of that great society of all sensible and intelligent beings, of which God himself is the immediate *administrator and director*” (Smith, 1759:235) [own emphasis]. “This magnanimous resignation to the will of the great Director of the Universe and humans’ willingness and ability to care not only for those recommended by nature to people’s care and attention, is in no way beyond the reach of human nature” (Smith, 1759:236).

However, the universal care and happiness of all rational and sensible beings are the business of God and not that of humans (Smith, 1759:237). Humans have been allotted a smaller task. According to God’s wisdom, it has been “judged that the interest of the greater society of mankind would best be promoted by directing the principle attention of each individual to that particular position of it, which was most in the spheres both of his abilities and of his understanding” (Smith, 1759:229). Accordingly, nature recommends to our care and attention not the entire universe nor all beings in need, but rather those on whom our conduct has a great influence. By the recommendation of nature, every person is first principally recommended to take care of the person self as every person is certainly, in every respect, fitter and abler to take care of the person itself rather than of any other person. Every person feels their own pleasure and their own pains more than those of other people (Smith, 1759:219). After oneself, nature, by God’s wisdom, recommends for our care and attention people:

- by their connections with oneself
- by their personal qualities
- by their past services, and
- those who are pointed out, not indeed to, what is called, our friendship, but to our benevolent attention and good office (Smith, 1759:225).

The order in which societies are by nature recommended for our care and attention are:

- One’s neighbourhood, and

- The country or state that a person has been born, educated and under whose protection one continues to live.

By God's wisdom, those persons who have a thorough conviction of the universal conscience and God's universal benevolence, will to the degree of their conviction have the inner strength and disposition not to harm in anyway the happiness of others and working towards the care and happiness of those recommended by nature for the person's care and attention. Such a person will equally take care of the person's own happiness and have the inner strength to protect and cause no harm to his/her own dignity, estate and respect. By the virtue of beneficence, individual persons will enjoy greater security, trust, sense of care, love, hope and above all justness and fairness. The same is true for societies that have a similar conviction.

PRINCIPLE 10: We ought to gain the inner strength of temperance, decency, modesty and moderation because it is from these virtues that we acquire inner control of self-estimation, exact propriety and degree of approximation.

The person who acts according to the rules of perfect prudence, strict justice and of proper beneficence within in his/her limited competence and influence will, experience personally and contribute to society, the value and benefit of steadiness, stability, frugality, security, trust, care, justice and above all, hope. However, the most perfect knowledge of the virtues of prudence, beneficence and justice will not only enable a person to act in this manner and contribute to society's wellbeing, because a person's passions, desires and aversions are very apt to mislead the person; sometimes to drive the person and sometimes to seduce the person in all the rules which the person in all sober and cool hours approve (Smith, 1759:237). Perfect knowledge of these virtues, if it is not supported by the perfect self-command, will not always enable the person to do his/her duty (Smith, 1759:237). This is particularly true in times of temptation. To act with cool deliberation in the midst of the greatest dangers and difficulties and to observe religiously the sacred rules of justice in spite of temptation requires self-command (Smith, 1759:241). Unless a person gains self-command over his emotions, affections, desires and passions, the utility and beauty of the other virtues will be damped and tinted. "Self-command is therefore not only itself a great virtue, but from it all other virtues seem to derive their principles lustre" (Smith, 1759:241). The command over our passions, independent of the beauty and joy which one derives from the utility thereof, self-command also enable us upon all occasions, to act according to the dictates of prudence, of justice and of proper benevolence (Smith, 1759:238). From the gentler exertion of self-command, a person gains the inner strength of temperance, decency, modesty and moderation – it is from these virtues that a person's economic behaviour and preferences show unremitting steadiness and from the amiable virtue of chastity, the respectable virtues of industry and frugality, derive all the sober lustre which attends them (Smith, 1759:242). Hence, self-command has a beauty of its own and seems to deserve for its own sake a certain degree of

esteem and admiration (Smith, 1759:238). Self-command as a virtue, on the one hand, excites some degree of esteem and admiration, because of the strength and greatness of the exertion. On the other hand, the uniformity, the equality and unremitting steadiness of the exertion, have its own beauty (Smith, 1759:238). It is therefore, through the virtue of self-command that a person takes command over the passion for the love of ease, pleasure and applause and many other selfish gratifications. But it is also through the virtue of self-command, that a person gains command over fear and anger, together with some other passions which are mixed and connected with them (Smith, 1759:238). The virtue of self-command also empowers a person with the inner strength to control a person's self-estimation (Smith, 1759:247). It is by the virtue of self-command, that a person develops the exact propriety and perfection and the degree of approximation. With exact propriety and perfection, a person's standard of self-estimation is determined by decency, modesty, or temperance. A person's self-estimation may be too high, or it may be too low (Smith, 1759:246). To think too highly may be more agreeable and so very disagreeable to think meanly of oneself. It is all a matter of self-command to establish *exact propriety* [What is considered right or otherwise]; a person's estimation [what a person is entitled to] and approximation [his level of esteem and own worth]. To establish the degree of estimation and level of approximation, the person with self-command always directs his/her attention to the *exact propriety*. This idea of exact propriety exists in the mind of every person. This idea "is in every man more or less accurately drawn, its colouring is more or less just, its outline is more or less exactly designed" (Smith, 1759:247). This idea is gradually formed (Smith, 1759:247) from a person's observations upon the character and conduct both the person self and of other people. It is the slow, gradual and progressive work of the voice within, the great demigod within the breast, the great judge and arbiter of conduct – human conscience, or in terms of Adam Smith's philosophical construct, *The Impartial Spectator* (Smith, 1759:247). The idea of exact propriety is formed according to the degree of acuteness and sensibility, with which those observations are made and according to the care and attention employed in making them (Smith, 1759:247). The person that is in control of his/her self-estimation and his/her passions, or at least, that work towards a degree of self-command, employ the utmost care and attention of the voice within and with the most acute and delicate sensibility, acknowledge and respond to its benefaction. Accordingly, the person with self-command study and observe this idea more than other people, he/she comprehends it more distinctly and is able to form a much more correct image of what is excessive and suitable to the time, place, age or situation (Smith, 1759:247). The person who values the virtue of self-command therefore possessed a good judgement and acts with great reasonableness and sensibility. A person who has self-command, not only has command over his/her passions, desire and aversion, but knows his/her place in life, what the person is entitled to, and has a good self-esteem.

In today's postmodern age, where people once again has a quest for the fullness and the true meaning of life, various calls are going out for a return to virtue. The virtues as outline above, are not something we hear much about as people speak more of values. According to Lightbown and Sills (2014:69), "values are the qualities and standard that we choose to live by or which shape our work." However, virtues from the classical perspective are acquired through learning and cultivation to gain the inner strength to live by higher qualities, standard, values and having a better moral judgement. Virtues together with a good moral judgement therefore ought to be central to a postsecular age where secularism, materialism and the pursuit of self-interest desires, passions and aversion are no longer considered the only key to a successful life. I now outline the basis of moral judgement that is deeply embedded in the principle of sympathy and founded upon the strong conviction of universal benevolence, whereby everybody is equally entitled to share in the universal happiness.

PRINCIPLE 11: The basis of human moral judgement ought to be founded not only in human reason, but also most fundamentally in the higher tribunal of human conscience – The Voice Within

As stated before, every person has an idea of the exact propriety and what is required for perfection. It is this idea of exact propriety that form in the mind of every reasonable and sensible person a much more correct image of what is not excessive and most suitable for the time, place, age or situation. The image of exact propriety and perfection in the human mind is experienced by a person, as the work of a divine artist. In fact, the reasonable and sensible person is deeply enchanted by the exquisite and divine beauty of the character and conduct that assimilate exact propriety and perfection (Smith, 1759:247). But, as the person "imitates the work of the divine artist, which can never be equalled, the person feels the imperfect success of all the best endeavours and sees, with grief and affection, in how many different features the mortal copy falls short of the immortal original" (Smith, 1759:247).

The person remembers with concern and humiliation, how often from the want of attention, from want of judgement, from want of temper, that the person both in words and actions, both in conduct and conversation, violated the exact rules of perfect propriety and has so far departed from the image according to which he wished to fashion his own character and conduct (Smith, 1759:248).

Because of the deep desire within to assimilate his/her own character, conduct and judgement to the image of this archetype within, a person with self-command works every day to command the exact rules of propriety. How these rules are formed and perhaps more pertinently, how the image of the immortal original (Smith, 1759:247) is formed in the mind of the mortal person are relevant

to understand the basis of moral judgement. I now proceed to outline these two most fundamental issues that go to the core of the new ethics paradigm.

In the preceding sections, I outlined the ethical principles of behaviour that are rather growth inducing and if pursued would lead to greater economic prosperity and the traits of character that are deemed admirable and most often than not are recompensed with great success in business and life in general. I now outline the third consideration to flourish and to prosper and that is, what classical Greek philosophers have considered as the psychological aspect of human ethical and moral character, namely having the right motives, aims, concerns and perspectives also defined as a proper and sound ethical and moral judgement. As I have already alluded to, all these psychological aspects of human ethical and moral character, collapse into one overarching aspect of human ethic. That is the image or the voice within each person's mind. Many disregard the voice or have a very tainted image, but all rational and sensible being that acknowledge and enjoy the universal happiness (Smith, 1759:235-237) that God, by His own unalterable perfections, maintain at all times (Smith, 1759:235), comprehend it more distinctly and is able to form a much more correct image and hear the voice with greater clarity. It is this image and voice - *human conscience*, that forms the basis of judgement of the rational and sensible person. Self-love, is not as some profess the basis of judgement. Nor are peculiar sentiments the faculty of judgement. Though reason is undoubtedly the source of the general rules of morality, reason is not the principle of approbation [principle of exact propriety - what is perfectly right or not]. By reason, humans may set rules according to our limited perception and comprehension, but it falls short of exact propriety. Human reason remains relative and subject to continuous change. As such, human reason is not very reliable and changes according to the time, place, age and situation. It is therefore imperative to make a clear distinction between the jurisdiction of the faculty of reason as the source of a person's immediate judgement of a person's behaviour and preferences in the first instance and the tribunal of human conscience (Smith, 1759:130). It is the latter that constitute the image of the "immortal original" (Smith, 1759:247) in a person's mind and the voice that is reasonable and rational. It is not the former. The basis of moral judgement is therefore part reason and part conscience. Both reason and conscience "are founded upon principles which, though in some respect are the same but in reality, are different and distinct" (Smith, 1759:130). The jurisdiction of reason is founded altogether in the desire of actual praise and in the aversion to actual blame. The jurisdiction of human conscience or the man within (Smith, 1759:131) is founded altogether in the desire of praise-worthiness and the aversion to blame-worthiness (Smith, 1759:131). In other words, when a person's judgements are steadily and firmly directed by the sense of praise-worthiness and blame-worthiness, the person seems to act suitably to the person's divine extraction (Smith, 1759:131). However, when a person suffers and is astonished and confounded by the judgement of an ignorant and a weak human being, a person discovers the person's connection with mortality and appears to act suitable, rather to the human than to

the divine part of the person's origin (Smith, 1759:131). By reason, a person may therefore still act from pure self-love. Because of the inherent deception, that actual praise is the source of gratification, a person may act from the immediate feeling of power and pre-eminence. But it is not the "love of our neighbour, it is not the love of humankind, which upon many occasions prompt us to the practice of this divine virtues. It is stronger love, a more powerful affection, which generally takes place upon such occasions. The love of what is honourable and noble, of grandeur and of dignity and the superiority of our own character" (Smith, 1759:137). It is this superiority of character that ought to be the fundamental basis of moral judgement.

It is indeed a different dimension of human essence, an altogether different view and outlook and a more powerful force that ought to shape and guide our behaviour and preferences. Without which we – as self-love suggest to us "continue unashamedly to prefer the interest of one to that of many" (Smith, 1759:138) and when the happiness or misery of other depends in any respect upon our conduct, we chose and value ourselves too much and other people too little and that, by doing so, we render ourselves the proper object of the contempt and indignation of our neighbour (Smith, 1759:138). Moral judgement should therefore be less founded upon a person's connection with mortality and therefore less upon the faculty of reason. A person's moral judgement ought to be founded on human conscience that is much more suitable to a person's divine extraction. Because it is through the higher tribunal of human conscience that a person's comprehension of the idea of exact propriety is more distinctly and it is through the higher tribunal that a person is most able to form a much more correct image of what is not excessive and most suitable to the time, place, age or situation (Smith, 1759:247). We ought therefore to have to base our judgement on the image of the archetype of perfection formed within our mind. This is the correct idea of propriety. The archetype of perfection is constituted by human conscience and not by human reason nor self-love. What then is the source of human conscience? The answer holds the key to a complete and perfect life where a person's behaviour and preferences are not founded upon the flux of human passions, desires and aversions but rather a very strong conviction.

PRINCIPLE 12: Since the sentiment of vision and sympathy are intended to be the acquiring principle of human nature and moral judgement, the rules they prescribed ought to be regarded as Laws of God.

In principle 11, I alluded to the averment that the "soft power of humanity" (Smith, 1759:137) nor the "feeble spark of benevolence in the human heart" (Smith, 1759:137) are capable of counteracting the strongest impulses of self-love" (Smith, 1759:137). It is a stronger power, a more forcible motive that exerts itself upon many occasions. It is *reason* as the immediate jurisdiction of judgement and then most fundamentally human conscience – the inhabitant of the breast, the person within, the great judge and arbiter of our conduct, that change people's

dispositions. It is the vicegerent within the human mind that, whenever we are about to act so as to affect our own happiness and those of others, calls us, with a voice (Smith, 1759:137) or form an image of this archetype of perfection (Smith, 1759:247) within us that is capable of astonishing the most presumptuous of our passion. It is the voice and the image within that teach us “the real littleness of ourselves and of whatever relates to ourselves and that we are but one of multitude, in no respect better than any other and when we prefer ourselves so shamefully and blindly to others, we become the proper objects of resentment, adherence and execration” (Smith, 1759:137). Only when we come to acknowledge this reality of human essence, the idea of exact propriety can be formed, and the image or archetype of perfection will become more clear and vivid. Only then human conscience can be formed in the mind of a person.

How is human conscience formed in a person's mind? Human conscience in its elementary stage is formed by the innate dispositions of people's instinctive nature, that through multiple interactions of humans, constitute natural law. For instance, in a societal context the elementary principles of kinship and reciprocity evolve. Likewise, people come to comprehend the consequence of theft, killing of other beings and develop a sense of morality, which constitute human conscience. This process is not limited to rude societies but is an universal process that still to this day and age shape and guide human behaviour and preferences and form the elementary principles of human morality. This process is essentially founded in the principles of cause and effect. In this instance the general rules of morality are the product of social relationships and therefore of public opinion (Raphael & Macfie, 1982:15). It is from the social pressures of living in society that we judge the merits or demerits of our behaviours. Under these conditions, human's principally relies on their reason to determine the basic rules of morality and the basis of judgement.

But we as human beings can also appeal to a tribunal of our higher conscience. In this instance, a person views personal behaviour and preferences and those of others, not from the person's own place nor yet from the other person's view, not with a person's own eyes nor yet with those of the other, but from the place and with the eyes of a third person who has no particular connection with either and who judge with impartiality between them (Smith, 1759:135-136). Through the eyes of the third person, we are taught the littleness of ourselves and whatever relates to ourselves. The natural misrepresentation of self-love can be corrected only by the eye of this third person (Smith, 1759:137). It is through the eye of the third person that a person slowly and gradually developed a sense of sympathy, which in no sense ought to be regarded as self-love or self-interest (Smith, 1759:316-317). In this context, sympathy should not be equated with human benevolence or the altruistic side of human conduct. Sympathy in this context is neither a *motive* nor an *action*, but rather a *sentiment of vision* that is antecedent to both human motive and action and the affective cause of the idea of exact propriety.

In this sense, sympathy is the bond that holds human society together. This interpretation of the sense of sympathy is analogous with the Stoic moral philosophy of *The social bond* (Raphael & Macfie, 1979:7) in terms of which a person regards another as a citizen of the world, a member of the vast commonwealth of nature (Smith, 1759:140). Human beings, accordingly ought to regard themselves not as something separated and detached (Smith, 1759:140). We should view ourselves not separated from nature and other human beings, nor in the light in which our own selfish desires, passions and aversions are apt to place us, but in the light in which any other citizen of the world would view us. What befalls ourselves we should regard as what befalls our neighbour, or what comes of the same thing, as our neighbour regards what befalls us (Smith, 1759:140-141). In other words, we ought to reflect on what happened to others as we experienced it ourselves. Or what comes to the same, we ought to visualize what has befallen others and visualize how others could enjoy the same happiness and fortune that have befallen us. This sentiment of vision or sympathy that is within, is antecedent to human motive and action and guides and shapes our conduct towards the idea of exact prosperity. The essence of which, is that a person wishes others what he wishes for himself or does not do to others what a person would not want them to do to him (Küng, 1998:98). This sentiment of vision or sympathy is really the effect of the universal benevolence that a person experience (Smith, 1759:235). The goodwill that we have for others, whose happiness we desire or the degree of aversion we have, should their misery distinctively be brought home to one's imagination, is really the effect of our universal benevolence (Smith, 1759:235). The goodwill that we have and the ill will we bare towards those that disturbed the happiness of others, is proportional to the "thorough conviction of a person that all the inhabitants of the universe, the meanest as well as the greatest, are under the immediate care and protection of God and who is determined, by His own unalterable perfections, to maintain in it, at all times, the greatest possible quantity of happiness" (Smith, 1759:235). This conviction creates within each person, to the degree thereof, a vision of the idea of exact propriety, or an archetype of perfection (Smith, 1759:247). It causes within each person, according to the degree of conviction, the sentiment of sympathy, firstly for the persons own wellbeing and happiness and then all those that nature recommended for his care and beneficence. It is because of a person's conviction of the universal benevolence that the reasonable and sensible person endeavours as well as the person can to assimilate his/her own character and conduct to the archetype of perfection of God's benevolence, though he/she feels the imperfect success of all his/her endeavours (Smith, 1759:247). Secondly, to do what the person can to protect and maintain his/her own happiness and wellbeing and those recommended by nature for his care and beneficence. Thirdly, because of a person's sense of sympathy, that is founded upon his/her conviction of universal benevolence he, the person considers sympathetically what has befallen others, as it can befall him/her or what comes to the same that a person has an aversion to the misery that has befallen others and take joy in their happiness and likewise. This sentiment of

vision and the sympathy founded upon it, bestow censure or applause upon all other principles of our nature (Smith, 1759:165). Since the sentiment of vision and sympathy are intended to be the governing principles of human nature and the basis of human moral judgement, the rules they prescribe ought to be regarded as God's "commands and laws" that is promulgated by the vicegerent that has thus been set up within us. (Smith, 1759:165). These general rules which determine the merit and demerit of our behaviour and preferences, whether the motive is self-interest or otherwise, come thus to be regarded as the laws of God (Smith, 1759:170). Because God watches over our conduct, those general rules require a new sacredness from this consideration (Smith, 1759:170). It is therefore for this reason, that our regard for their sacredness will cause all those who believe in the existence of God not to be disobedient to either the will of God nor to the general rules. "This disobedience to either, is the most shocking impropriety" (Smith, 1759:170). It is indeed "vain and absurd should a person either not regard the will of the Deity to be the supreme rule of conduct or oppose or neglect the command that was laid upon a person by Infinite Wisdom and Infinite Power" (Smith, 1759:170). Such disobedience, neglect and opposition, are unnatural and those that do not show reverence to the precepts that were prescribed to them by the infinite goodness of his Creator are impiously ungrateful (Smith, 1759:170). The impious and ungrateful person may however, endeavour to escape the observation of other human beings and try to be placed above the reach of human punishment, but always acting to the "punishment of God, the great avenger of injustice" (Smith, 1759:170).

What is the affectual consolation when person's conscience cannot content the weakness of a person? General rules and principle deduced from the sensibilities and concurring sentiments of vision and sympathy that are antecedent and impartial to circumstances and objects of our desires, passions and aversions – *human conscience*, may not always content the weakness of human beings (Smith, 1759:134). In such cases the "only affectual consolation of the humbled and affected man, lies in an appeal to a still *higher tribunal* to that of the all-seeing judge of the world, whose eyes can never be deceived and whose judgement can never be perverted" (Smith, 1759:131) [own emphasis]. "Indeed, a firm confidence in the unerring rectitude of this great tribunal would support a person under the weakness and despondency of his own mind" (Smith, 1759:131-132). It is through a person's appeal to the higher tribunal that the perturbation of a person's conscience would regain not only its innocence, but also tranquillity (Smith, 1759:132). It is through this appeal to God that the person would regain the sensibility of vision and confidence in the reality of universal benevolence. Likewise, the person's sense of sympathy will be restored. This then, is the true source of human conscience – the vicegerent, the image of the immortal original that has been set up in the mind of each reasonable and sensible person. It is this vicegerent that captivates our attention and that ought to shape and direct our behaviour and preferences to enjoy all the "splendour of the highest prosperity" (Smith, 1759:235) – certainly of all the "objects of human contemplation by far the most sublime" (Smith, 1759:236). This

magnanimous resignation to the will of the vicegerent formed within the mind of a reasonable and sensible person, allow the person to enjoy life with gaiety and alacrity (Smith, 1759:236), without the dullness of ordinary duty and with submissive obedience cheerfully “sacrifice their own little systems to the prosperity of a greater system” (Smith, 1759:236). Should they experience private disasters and misfortune, they know, had it not been necessary for the good of the whole they would not have been so ordered (Smith, 1759:236) and that it is their duty, not only with humble resignation to submit to this allotment, but endeavour to embrace it with alacrity and joy (Smith, 1759:236). Those that enjoy the splendour of prosperity of universal benevolence will do what a good soldier holds himself at all times in readiness to do (Smith, 1759:236).

This then is the broad outline of the new ethics paradigm. The broad outline of the new ethics paradigm incorporated the following tenets:

- The seven core principles of:
 - Self-betterment
 - Ingenuity, curiosity and creativity
 - Dignity of others
 - Stability and confidence
 - Cooperativeness
 - Culture and values
 - Temptation of prodigality
- The cardinal virtues of
 - Prudence
 - Beneficence
 - Self-Command
- Sympathy as the basis of moral judgement
- Universal benevolence as the source of human conscience
- Affectual consolation of a Higher Tribunal

It is upon this foundation, that all people in the postsecular society can construct a mutually accepted ethic for the economic household that is less secular and materialistic and that can enjoy the true meaning and fulfilment of their economic endeavours. In conclusion, I now illustrate how a new ethics paradigm, that I have labelled *theoconomy*, could transform economic behaviour and preferences of individual persons and ultimately society at large.

8.7 DISCERNIBLE ECONOMIC GROWTH MODEL

In this chapter, I have examined the paradigm shift in the economic discourse from the classical-normative economics to the neo-liberalistic economic growth model of the secular period that has been characterized by consumerism as the narrative for sustainable growth. I have then examined the postsecular paradigm and the new conditions and narrative that are emerging. Upon completion thereof, I have concluded that the new condition of the postsecular paradigm provides a new opportunity to embed the economy once more in its proper ethical and social context. This was followed up by an examination of my thesis that the classical values of Adam Smith's ethic and economic model ought to be the foundation for a new global ethic. In this examination, I have examined Adam Smith's ethic and economic thoughts according to eight *posteriori* criteria that I have identified as fundamental to the new postsecular paradigm. These criteria are:

- Golden Rule of Humanity as the moral minimum
- Pluralism in ideas and worldviews
- Metaphysical essence of life free from religious doctrine
- A personal and a unique contemporary experience of life
- Sense of duty and human cooperativeness
- Value of virtue
- Reason and conscience as the basis of moral judgement
- Universal benevolence of God – the Author of Nature

I then proceeded to examine the suitability of Adam Smith's ethics in terms of the criteria for making global ethic specific. Upon completion of these examinations, I have concluded that Adam Smith's ethic in terms of the new conditions and narratives of the postsecular paradigm is most suitable and responsive to these new conditions of the new reality that is unfolding. Secondly, that in terms of the criteria for a global ethic, I have concluded that Adam Smith's classical ethical values and precepts are most suitable to constitute the foundation of a global ethic for a global economy. Upon completion of the examination, I then proceeded to outline the new ethics paradigm for a postsecular period. I now continue to illustrate how this new ethical paradigm could result in greater economic prosperity, by transforming economic behaviour and preference of individual persons and ultimately society at large. This last section only serves as illustration and in no way, ought to be regarded as comprehensive and complete. What is anticipated is that in due time the efficacy of *theoconomy* as a new ethic paradigm for a postsecular age will be established and challenged and more specific and detailed research will follow.

I now continue to illustrate how the new ethics paradigm, which I have labelled *theoconomy*, can transform economic behaviour and preference. By this illustration, I have answered the principal research question of how individual economic behaviour and preferences can be reshaped and guided by shared theocratic ethical principles and virtues.

In answering this question, the theocratic ethical principles and virtues that are underlying the new ethics paradigm of *theoconomy* could be summarized in the following three tenets:

- Fair and just balance between private interest and societal duty.
- Acknowledgement of the social nature of human existence and most fundamentally the interdependence of humans as social beings.
- Advancement of human happiness that is much deeper and profound in meaning and fullness than the existential happiness founded upon ease of life.

These three tenets are given substance and fullness by the cultivation of the following cardinal principles:

- Sympathy as the basis of moral judgement. In terms hereof, the Golden Rule of Humanity is the minimal moral principle to judge human behaviour and preferences. Sympathy as the basis of moral judgement is founded upon two principles. Firstly, a cognitive awareness of the applied effects of a person's self-interest motivated behaviour. Secondly, a genuine fellow feeling for the desires and passion of others and a real indignation of their injuries and uncertainties.
- The value of virtues of prudence, beneficence and self-command as admirable traits and inner strength to act with greater regularity and reliability.
- Strong conviction of universal benevolence, which is founded upon the universal goodness of the unalterable perfections of God.

These three cardinal values in unison, transform human behaviour and preferences to be distinctly more rational, reasonable and sensible. When applying these cardinal values at a societal level, the policies, strategies and plans of the greater society will be distinctly different and clearly discern between what is conducive and socially beneficial, peace fostering and earth-friendly and what is not conducive. Let's first reflect on the consequential affect at the macro or societal level. In this reflection, I illustrate how *theoconomy* as a new ethics paradigm would set a new broad moral framework in society that is consistent with the moral framework that the Parliament of the World's Religions have agreed upon in 1999 (Parliament of the World's Religions, 1999:19-21).

8.7.1 TRANSFORMATION AT A MACRO OR SOCIETAL LEVEL

The ethics paradigm of *theoconomy* could transform society at the macro level by fostering and inculcating the following broad moral principles in the ethical and moral framework of society as the largest organ of human existence:

- Encourage human creativeness and inquisitiveness and by doing, so create a society in which our productive activities are creative and vital and give meaning to our lives. In this regard, *theoconomy* acknowledge and encourage the principle that human desires and passions should eclipse the quest for immediate material gratification and go beyond the mere search for ease of life and material prosperity. The focus in *theoconomy* is to find a just and fair balance between the immediate desires for ease of life and the most sublime desire for tranquillity of mind. *Theoconomy* therefore acknowledge that everywhere people feel the need to make something of themselves and with great ambition work towards bettering their condition of living. In *theoconomy* the innate desire of each person for self-betterment is encouraged and protected as a fundamental right of liberty.
- Promote the principles of a just application of resources. Most notably, to utilize economic resources not only for one's own benefit but also in service to those that our own conduct must have the greatest measure of influence over. Wealth and economic power should be wielded in manner that balances private interest and public duty. Most importantly, wealth should be used equitable with the greatest degree of rationality to do justice to human dignity and the community of life on earth. For this reason, we ought not only be concerned about our own self-interest but also show genuine fellow feeling to the desires and passion of others and a real indignation of their injuries and uncertainties and work towards addressing the injuries and uncertainties of other.
- High moral standard of prudence, beneficence, justice and mutual trust are inculcated to guide all individual behaviour and preferences as well as all interactions of the marketplace and the workplace. In this regard, the virtues of industriousness, thriftiness, frugality, moderation, fairness and collaboration and good neighbourliness are encouraged in society.
- Economic, social and physical wellbeing is not the exception but the norm. Each person is encouraged and empowered to use personal ingenuity and inquisitiveness to produce a surplus and earn an income over subsistence. Creativity and ingenuity are therefore encouraged in all persons at all times and treasured over idleness and unproductiveness. Every person accordingly ought to be afforded the right to enjoy the fruits of his/her labour. In this regard, frugality and parsimony are encouraged and prodigality and financial mismanaged are discouraged and contained.

- Self-interest action are encouraged and pursued in a manner that also advances the rights and abilities of others and by doing so uphold their dignity. This is further extended by promoting two further ethical principles. Firstly, to satisfy a person's own interest, a person needs to address the interest of others in society and secondly of greater significance, is that each person in society has to have a cognitive awareness of the consequential applied effect of a person's own self-interest motivated actions on those of others to achieve a mutually beneficial outcome for society. In this regard, a distinction must be drawn by the society at large and individual person, between necessary and limited consumption, between socially beneficial and non-beneficial use of resources and between justified and unjustified use of natural resources. At a macro level, a society has to draw a distinction between a profit only market economy and an economy that is socially beneficial and ecologically orientated.
- A spirit of compassion for those who suffer, with special care for children, the aged, the poor, the disabled, the refugees and the lonely are encouraged. To ensure that the wellbeing and dignity of the poverty stricken, uneducated, sick and those who lack vitality, both physical and mental are attended to, generosity and charitable programmes are considered good. However, it is considered even better to promote frugality and industriousness to drive the poor into employment to share in the annual consumption and enjoy equal opportunities of sharing in the prosperity of society.
- The ethical principles of moderation and modesty instead of an unquenchable greed for money, prestige and consumption are advanced by *theoconomy*. In greed and conspicuous consumption, humans lose their soul; dignity; self-command, inner peace and tranquillity of mind, thus that which makes them human. For this reason, the temptation to prodigality is resisted and frugality with money and resources are encouraged.
- *Theoconomy* therefore works towards expanding the economy by promoting virtues of prudence, industriousness and thriftiness, but also the alleviation of poverty and the advancement of the social, cultural, spiritual and ecological wellbeing of communities by inculcating a sense of duty and a cognitive awareness of the applied effects of human action and passiveness. Each person is therefore encouraged to work towards the wellbeing of society, as individual wealth and prosperity are only sustainable within sustainable societies. Self-interest action that is pursued in a manner that also advance the rights and abilities of others in society to an advantageous outcome, is encouraged, because it upholds the dignity of the concerned persons as well as the affected persons in society.
- All people and nations are accordingly encouraged to participate in the national and global economy and free trade between individuals, societies and nations are

encouraged. In this regard, *theoconomy* advance the ethical principles that a person's own interest can only be satisfied in a sustainable and lasting manner, if the interest of others is addressed. Likewise, to satisfy the own interest of individuals, societies and nations, the exchange between parties should be mutually beneficial and be founded upon the principles of reciprocity and kinship.

- The promotion of the ethical principles of reciprocity and kinship imply that one nation, may not harm the other nation. Likewise, nations ought to ensure that nations, societies and individuals do not harm others to meet the demands placed upon them. *Theoconomy* therefore advance the ethical principles of fair compensation and humane working conditions as suitable norms and the scourges of forced child labour, prison labour, sweatshops and virtual slaving are put to an end. *Theoconomy* advances the ethical principle that everyone, inter alia labourers, landlords, capital providers, are afforded the right to enjoy the fruits of their labour and contribution to society. This would most likely encourage them to exert themselves to better their conditions, strive to acquire more and to work towards a greater contribution. But above all, to advance and protect a person's esteem, estates and dignity. The same is true at a societal and global level. Individuals in societies and nations are therefore encouraged to behave at all times in a manner that promote and encourage a fair reward that is proportional to the quantum benefit of a certain task to society.

Theoconomy accordingly advances ethical principles that shape and direct human economic activities in a way that promotes an outcome that is just, harmonious and culturally sensitive and enriching, with a constant regard for the vitality and fragility of the earth and all life. *Theoconomy* therefore aims to instil in the ethical and moral psychic of society a new awareness and appreciation for these ethical principles; values of virtues and a sound basis of moral judgement that could change the human conscience in a postsecular age. Most distinctly, *theoconomy* empowers and encourages individuals and societies to become moral agents, exemplars and advocates for an economic household that is clearly discerning in constitution and carefully weighing up short-term economic benefits and material gratification against the continued, viability of the earth's ecosystem and the constant desire of all people and societies at large to better their conditions of living. Central to all of this, is the individual person. I will now illustrate how *theoconomy* could transform individual economic behaviour and preferences.

8.7.2 TRANSFORMATION AT A MICRO OR INDIVIDUAL LEVEL

Central to the transformation at a micro or individual person's level, are three fundamental elements of *theoconomy*. Firstly, individual conscience is founded on the principle of sympathy. Secondly, the prominence of virtue empowers a person with the inner strength to be most stable and enduring. Thirdly, there should be a strong conviction of universal benevolence. These three

most fundamental elements of *theoconomy* were extensively examined in this thesis. What remains now, is to illustrate how these fundamental elements of *theoconomy* could transform economic behaviour and preference. These three elements separately and jointly inculcate in the mind of the reasonable and sensible person – the person that takes cognisance and diligently pursue these fundamental principles, inter alia the following attitudes:

- Firstly, a strong feeling of sympathy for the desires and passions of others and a real indignation of their injuries and uncertainties. This feeling of sympathy is symbiotic, as a person regards what has befallen him or her as what befalls others. This feeling of sympathy is the true basis of human moral judgement. It is through such a symbiotic relationship between humans that a person has a cognitive awareness of the consequential applied effects of a person's self-interest motivated decisions, passions and actions on others and accordingly contain and balance self-interest by moderating desires, passions and aversions to a level or degree acceptable, firstly to a person's own conscience and secondly to that of society.
- Secondly, the exercise of virtue empowers a person with inner strength to be prudent, beneficent and having self-control. These admirable traits provide the inner strength to determine with real regularity and reliability what actions are appropriate suitable and reasonable to the time, place, age and situation. It also offers the inner strength to be beneficent and just and not to harm or hurt others and take care of the happiness of a person itself, the person's family, friends and country. Likewise, the virtue of prudence distinguishes a person with the most sober esteem of modesty, discretion and good conduct.
- Thirdly, those persons that are thoroughly convinced that all the inhabitant of the universe, the meanest as well as the greatest are under the immediate care and protection of God, who directs all the movement of nature, are the most *reasonable* and *sensible* beings. These persons have a greater sense of own worth, care better for themselves and are most willing that their private interest should be sacrificed for the public interest of their own particular order or society. They submit with magnanimity to the vicegerent or conscience within and cheerfully sacrifice their own little world to the prosperity of the greater. Likewise, they do not experience the dullness of ordinary duty and walk through life with more gaiety and alacrity.

Jointly, these three elements of *theoconomy* shape and direct human behaviour and inspire them to become most discerning. As such, a person could discern human behaviour and consequential preference that are most suitable and appropriate to advance human happiness in a manner that is socially beneficial, peace fostering and earth-friendly. Because those who pursue these three elements are most *reasonable* and *sensible*, they do consider the utility of their behaviour and preference, but consider such utility, in reference to their *conscience* or the *idea of exact propriety*

that are founded within. They, at all times, work towards this idea of exact propriety by being mindful of and discerning in their conduct. They have a fair estimation of themselves and behave with the degree of excess and modesty that are suitable to the time, place, age and situation.

Theoconomy as a new ethics paradigm, therefore transform at the macro-societal level, societies and nations, to be most discerning in their policies, strategies and plans. Most notably, *theoconomy* could instil in the ethical and moral fibre of society cognitive awareness of the critical issues of our time, namely:

- The unrelenting pressure on the earth's limited resources.
- Growing divide between rich and poor.
- Aggravated injustice.
- Lack of spiritual direction.
- Disintegrating communities.

By transforming the ethical and moral fabric of the postsecular society, societies and nations at a macro level, could with greater discernment, develop policies, strategies and plans to deliberately and with great discernment direct the economic activities towards addressing these critical issues. If it is done with the necessary discernment, this will not only result in social justice, but most importantly restore the dignity of all persons and in so doing incite their own creativity and inquisitiveness that would empower them with their own ability to better their conditions of living and to produce a surplus over subsistence. *Theoconomy* therefore, not only result in social justice, but of equal importance, grow the economy through policies, strategies and plans that are discerning in focus and result in discernible growth.

At a micro or individual level, *theoconomy* promote sympathy as the basis of moral judgement that is founded in human conscience. *Theoconomy* also gives prominence to the value of virtuousness as admirable traits of character that makes a person more stable and enduring. Finally, *theoconomy* advance the principles of universal benevolence and inculcate in the minds of persons a strong conviction in this regard. These three elements of *theoconomy* jointly make individual persons more discerning in behaviour and judgement. Their behaviour and preferences are more sensible and reasonable. As persons that are sympathetic in disposition, they carefully discern what has befallen others as it could befall them or otherwise said, the fortune they enjoy they wish upon others. As people that act with the greatest prudence, they are steady and sober in esteem and modesty, discretion and good conduct characterize their behaviour and preferences. Likewise, those that acquire the virtue of beneficence try to act with the greatest degree of fairness and justness and have the inherent quality of mind not to harm or hurt others and take care of the happiness of those who are within the person's sphere of influences. Those

that are having greater self-control and cultivate the virtue of self-command, always search for the idea of exact propriety and is able to form a much more correct image of what is not excessive and most suitable to the time, place, age and situation. Finally, those persons that have a strong conviction of the universal benevolence approach life with greater joy, gaiety and alacrity. Overall, those that cultivate the principles of *theoconomy*, act with greater *sensitivity*, *reason* and *discernment*. On this basis, their individual behaviour and preferences are shaped and guided towards a more meaningful life. More pertinently, their behaviour and preferences are characterized by the following:

- Thriftiness, productivity and industriousness.
- The nature and level of consumer spending are more appropriate to their circumstances, dignity and responsibilities.
- Higher propensity to be frugal with a high propensity to save and preserve.
- Physical and mental vitality.
- Openness to diversity of people, circumstance, religion and culture.

Essentially, they are happier in life. This conclusion is supported by the study of subjective wellbeing based on the First Wave of the National Income Dynamics Study (Pretorius & Blaauw, 2013:179-194). The study found that those who deem religion as very important add almost three times more satisfaction to their lives than those who deem it only important. **The *a priori* expectation is therefore, that in due time, similar empirical evidence will be gathered to support the thesis that shared theocratic ethical principles and virtues as advanced by *theoconomy* can transform economic behaviour and preferences in a manner that makes individual persons more productive, thrifty and industrious; most discerning in spending and moderate their consumer spending; increase the propensity of being prudent with a higher propensity to save and preserve; having better physical and mental vitality and develop greater openness to the diversity of people, circumstances, religion and culture – all in all, a moral and productive agent, that is discerning in behaviour and preferences.**

With this broad illustration, I have shown how individual economic behaviour and preferences could be reshaped and guided by shared theocratic ethical principles and virtues. I therefore conclude that *theoconomy* set a new ethics paradigm for economic prosperity by transforming the economic behaviour and preferences of individual persons and ultimately society at large. With this conclusion, I have evaluated *Theoconomy* as a new ethics paradigm for discernible growth.

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