

ON THE DELIBERATE CENTRALITY OF AN INVISIBLE HAND: REPLY TO GAVIN KENNEDY, RYAN HANLEY AND CRAIG SMITH

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We previously showed that 'led by an invisible hand' was physically central in original editions of The Theory of Moral Sentiments and The Wealth of Nations. We suggested that Adam Smith did that deliberately. Three authors commented on our paper, Gavin Kennedy, Ryan Hanley and Craig Smith. In this article we reply to their comments.

Keywords: Adam Smith, invisible hand, *Wealth of Nations*, *Theory of Moral Sentiments*, middle, centre.

In a paper appearing in the previous issue of *Economic Affairs* (Klein and Lucas, 2011), we showed that 'led by an invisible hand' was near dead-centre in original tomes of *The Theory of Moral Sentiments* (TMS) and *The Wealth of Nations* (WN). We argued that this physical centrality was deliberate – though we do not feel absolutely certain of that.

We are grateful to Gavin Kennedy for his chief comment on our paper, affirming and bolstering the conjecture of deliberate centrality, and to the sceptics Ryan Hanley and Craig Smith for commentary on the pair.

Reply to Gavin Kennedy

Kennedy (2011) joins the thesis of deliberate centrality but offers a different interpretation of the invisible hand (abbreviated IH). To our mind, Kennedy's writings on this matter, though invariably learned, fruitful and generous, have repeatedly proceeded as though interpretation of IH can be resolved simply and determinately. He asserts that 'the objects of all metaphors are identified from their contexts', as though that for which IH is a metaphor must be plain in the immediate text. Kennedy does not defend this assumption, which we regard as simplistic. On his reading, Kennedy asserts that the invisible-hand metaphor 'had nothing to do with natural liberty'.

We delve into only one aspect of Kennedy's attempt to pinpoint the 'object' of the IH metaphor (if indeed it should be regarded as a metaphor, as opposed to an affirmation of divine providence).

Regarding TMS, Kennedy writes that it 'was about the deception afflicting landlords in tyrannical feudal regimes'; that it pertained to the 'inescapable necessity for landlords to feed their serfs'. But the IH passage flows out of the parable about '[t]he poor man's son', who 'finds the cottage of his father too small', who 'studies to distinguish himself in some laborious profession', and who, having become a great landlord, late in life, when in splenetic humour, 'curses ambition, and vainly regrets the ease and the indolence of his youth' (TMS, pp. 181–182). This is not feudalism, and those who 'fit up the palace' are not serfs. The parable and context of the IH metaphor in TMS principally concern commercial society. Indeed, Kennedy's reading of the IH passage helps to explain why he thinks so little of the connections we draw to Rousseau.

After expositing the IH passages in TMS and WN, Kennedy suggests that the common object is necessity, that the IH is a metaphor for necessity. Kennedy does not much develop the idea. Such a reading may perhaps be congruent with the kind we favour. Perhaps Smith saw social evolution

towards attitudes and dispositions *that make natural that which is necessary*. Think of 'natural' as a description of an attitude or recommended attitude. When an author writes that things being a certain way is 'natural', he is telling his reader to learn *to accept them* as being that way. Meanwhile, Smith insinuates us to be aspiring towards wisdom and virtue. Understandings that are *necessary* to such wisdom and virtue are understandings that we should accept, and hence are 'natural' – such as acceptance of Smith's understanding of what he calls 'natural liberty'. Under the circumstances (or necessities), things work best (or, metaphorically, as though by an invisible hand) when attitudes, norms and rules have been adjusted to accord with natural liberty, and thus we, aspiring to wisdom and virtue, must embrace such attitudes.

Reply to Ryan Hanley

Hanley (2011) graciously expresses his doubts. We quite agree with his final words, that the *substantive* centrality in Smith's thought of some invisible-hand idea is best demonstrated 'not by counting leaves in a physical text but in demonstrating a concept's substantive primacy in the system under study'.

Hanley does not 'see Smith as inclined to "esotericism"'. We suggest a fairly minor divergence between the exoteric and esoteric. We use the analogy of a vertex for each, with the angles differing by only a few degrees. Such hedging is pervasive in ethical, political and religious discourse, even when 'persecution' is not severe. We suggested that the liberty principle – which Craig Smith and perhaps Hanley himself would agree is central in Smith's thought – is potentially a quite challenging idea, even frightening and revolutionary. (Friedrich Hayek commended Walter Block's *Defending the Undefendable* as valuable in the same way as Ludwig von Mises' 'shock therapy'; see Hayek's Commentary in Block, 1976.)

Second, Hanley does not 'see what Smith stood to have gained' from physical centrality. Why would Smith make 'led by an invisible hand' physically central? After all, 'the TMS is no Talmud'. But maybe TMS has the yet unfulfilled potential to be studied and heeded much more than it has been. To answer Hanley's question, we must presume to get inside the mind of the maker of such a work, and not only inside that mind, but at high moments and remote transports – or, at any rate, its fancifulness, which is, perhaps, not too distinct from its genius. One take, for which the present occasion does not allow space, might be that Smith was exoterically providing a brief pronouncement of divine providence, while, with deliberate centrality, esoterically signalling a more Humean outlook, hinting that the exoteric doctrine of the invisible hand as 'the energizing power of the whole system' (Macfie, 1971, p. 599) – that system itself being one great irregularity from the regularity of nothingness – is quite analogous to the Roman's doctrine of Jupiter's hand being behind the irregular experience – though, some such take would by no means preclude on Smith's part earnestness in affirming the invisible hand as worthy allegory.

In our paper we suggested that Smith's 1756 praise for Rousseau's dedication to the people of Geneva was satirical.

None of the three discussants weighed in on that. Yet it subtly figures into the matters under discussion.

Reply to Craig Smith

Craig Smith (2011) maintains that 'the invisible hand' is a serviceable and appropriate tag for the idea that applications of natural liberty, or the liberty principle, conduce, by and large, to social betterment, and that that idea is central in Smith's thought. He further maintains that this terminological practice would not hinge on whether Smith intended 'the invisible hand' to become such a tag, and certainly not on any issues of physical centrality. In all this we concur.

But Craig Smith doubts deliberate centrality, and some of his doubts resemble ones registered by Hanley. Both see other reasons for the changes that made IH virtually dead-centre in TMS. However, if you were Adam Smith, and had decided, some time after 1759, that you wanted IH to become physically central, you basically would rearrange and add material, and the material you added would enhance the work. A work like TMS could always be expanded – the terrain is wide open and Smith often wanders off into wonderful digressions (consider the 1790 addition in VII.ii, §§ 24–47, pp. 278–293, with its extended gallows humour). Of course there would be good reasons for the material added. That would not vitiate the idea that deliberate centrality was part of the motivation for writing more.

Craig Smith writes that Adam Smith 'makes no attempt to hide the radical nature of his . . . support for natural liberty'. That claim is quite arguable. Again, we recommend the dissertation by Michael Clark (2010; 2011) on Smith's Solonic aspects, especially in his policy discourse.

Final remarks

We are grateful to Gavin Kennedy, Ryan Hanley and Craig Smith for their insight and generosity. We are putting out a conjecture, and, as Craig Smith says, the conceptual centrality and terminological sense of 'an invisible hand' does not hinge on whether physical centrality was deliberate. Regardless, then, Adam Smith provides an invisible-hand outlook.

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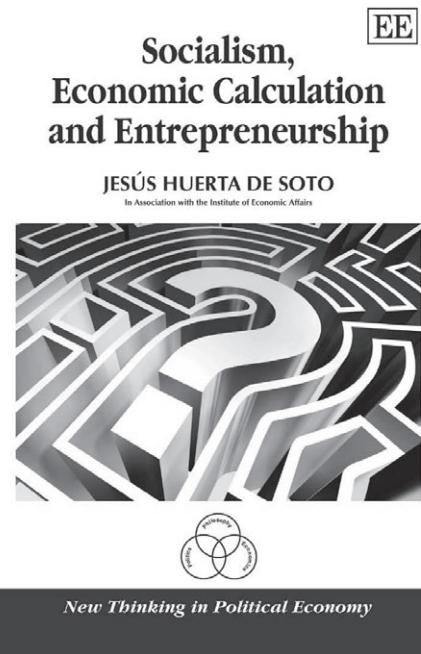
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