

An Optimistic Perspective of Colonialism: Economical Role of Morals in the Works of Adam Smith

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Abstract

It is not a coincidence that Adam Smith, the founding father of economics, was a moral philosopher. First of all, when both England and continental Europe were at the edge of unprecedented developments during the second half of the eighteenth century, in which European communal life felt the impact of this change in every aspect of society. Just as growth and development of production depended on capital, so did distribution and consumption, a reality which thus directed the social dynamics to change from the village to town, from being a serf to worker, and from being a subject to a citizen. This wave of change made establishing (or at least explaining) the balance between protecting self-interests and moral rules even more complicated. In this context, issue of whether homo economicus is an utterly amoral concept has emerged as a question difficult to answer on many different levels. This study follows a methodological context based on a number of Smith's works and attempts to illustrate the connections between morality and economics through his works. On the other hand, the critical assessment of the link mentioned herein is discussed based on the phenomenon of colonialism. It is the conclusion of this study that, throughout Smith's works, there exists an invisible hand which insists on an optimistic connection between social and economic conditions on the one side and the phenomenon of colonialism on the other.

Key Words

Adam Smith, Colonialism, Economic Balance, Morals, Social Harmony.

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Social aspects of social morality and personal behaviors constitute a field of study avoided by mathematical economics. Today, it is a well-known fact that concepts based on neoclassic theory do not lean toward this field of study, intending, instead, to give explanations based on *homo economicus*. Even if the field of mathematical economics is perceived to fall within the domain of physical sciences -especially by externalizing morals, one cannot deny the fact that economics is a field of sociology. Since, in reality, economics and economic relationships, both parts of the social domain, are not independent from moral systems, studies on this theoretical field cannot be totally isolated from this reality.

Moral philosophy has an active role on the basic concepts of economics theory, argues Adam Smith, who had not surrendered to such a disregard in his works, and its impact on colonial politics. Most essentially, as a moral philosopher, Smith developed important theories about the relationship between personal and social morality and liberal philosophy. His work titled “Theory of Moral Sentiment” explains the moral principles of his general theory based on the relationship between the individual and society. Hence, the immanent philosophic basics of his theory cannot be understood without discussing his moral beliefs. As a matter of fact, the coexistence of the necessity to lead a virtuous life coupled with the negative impacts caused by ambition to make money manifests the very necessity of such a moral concept.

Smith’s views on morals play a crucial role in terms of economics and the basic theoretic principles of liberalism. The ideas argued by Smith for establishing harmony between the economic mindset and morals become even more complicated when the phenomenon of colonialism is added into the equation. Specifically, the functionality of the moral concept embraced by Smith is clearly illustrated through his attitude toward colonialism. Optimism is the underlying concept of making class conflicts appear to be a system in harmony in which the claim that international inequalities will eventually reach a state of equilibrium. As such, this study will discuss the weaknesses of the moral concepts argued by Smith through the beliefs he held about colonialism.

A Path to Economic Balance: Moral Sentiments and Self-interests

There are two basic goals which emerge and complete with each other in Smith's works. The first being the scientific goal anticipating the implementation of the methods applied by physical sciences in the field of economics while the second goal is to create a social order based on a virtuous life in which every form of oppression is absent (Buğra, 1995, p. 91). The idea based on making rules and being scientific, which therefore entails being precise confirms that the two common aspects espoused by professions from the age of enlightenment continue in Smith's works (Callinicos, 2004, pp. 35-36). The idea mentioned has two roots; the invisible hand of the omnipotent and omniscient God in Christianity and the concept of a universe based on the steady laws of physics by Newton.

The function and meaning of mutual benefits is important in the works of Smith. In this context, the mutual benefits which exist as a result of social conditions are also closely associated with moral goals. Starting from this point of view, Smith uses the concept of mutual benefits to reach a social order based on freedom, which he then presents as a universal principle. Thus, the functionality of the market balanced by the existence and working of an invisible hand is closely associated with the personal factors assured by the moral goal. Although humans are creatures in the pursuit of self-interest, the pursuit of interests is acceptable so long as it brings with it positive outcomes for society, and it is the assurance of social order that seems to be established (Demir, 2003, p. 164; Dennis, 1997, p. 196).

Unless we correlate the concepts of self-interest and morality, the beliefs held by Smith might strike the reader as praise of amorality. As a matter of fact, Smith opposed Bernard de Mandeville's (1670-1733) arguments which suggested that an amoral attitude and behaviors might yield positive outcomes for the society (Smith, 2000, pp. 451-452). Mandeville, in his work titled "The Fable of the Bees," argues that all behaviors based on self-interest are evil and amoral (1997, pp. 36-45). Despite this evilness however, the very individual considered to be amoral by dint of his hedonistic behaviors also becomes the means for social harmony. Thus, bad personal behaviors assure the common good.

Both this theory and that of Smith's appear to have a significant number of similarities at first glance. Yes, Mandeville and Smith certainly do start from the same point of view; however, Smith discusses functionality in which morality assures social and personal balance rather than presupposing the amoral human factor as Mandeville does. Accordingly, Smith associates human selfishness with avoiding being described as a criminal, evil etc. by society while at the same time trying to earn society's respect. Here, selfishness -or selfish behaviors- is incorporated in Smith's theory as an element improving productivity rather than in association with being amoral (Ridley, 2011, p. 60). On the other hand, as argued by Amartya Sen, the division of labor suggested in Smith's works does not indicate that human beings are selfish creatures. On the contrary, Smith presupposes that people do things for each other despite having selfish desires (Sen, 2003, p. 30).

Moreover, Smith was aware of the negative impact on workers of actions and procedures becoming routines in business life and production. Specifically, Smith argues that a worker who does the same job continuously will be faced with a situation in which he is unable to develop himself since he finds himself unable to escape this monotonous cycle. He was able to clearly see that workers might become a mechanical part of the process, and thus insignificant, in this vicious cycle. In doing so, Smith discusses the highly critiqued side of classical economics (see Sennett, 2002, pp. 36-40), a side which is commonly avoided today.

On the other hand, emotional intimacy, or sympathy, toward another person (Smith, 2000, p. 14) is still not enough to cause one to see another person as his equal. In this vein thus, self-interest continues to form the base argument of behavior management. Moreover, Smith refuses Hume's argument suggesting that emotional intimacy should be evaluated based on its compatibility with one's goals and that morality should be a determinative emotion (Timuçin, 2000, pp. 258-259).¹ As such, Smith prefers the rationalist characteristics of individuals rather than their moral characteristics. Here, it cannot be denied that behaviors are closely associated with traditions and moral sentiments. However, the mind is the essential element for assuring a global balance at a higher level.

¹ For more, please see (Hume, 1997, p. 289, 342) for explanation of this event through the concept of sympathy. Please see (Poole, 1993, pp. 26-27) for the review on Hume's argument suggesting that self-interest is also limited by self-interest.

Is the Desire to Become Wealthy Amoral?

Regardless of the related social conditions, the true meaning of being wealthy is closely associated with social expectations. The fact that people associate themselves with our joys rather than our sorrows verifies that humans are social beings. One in pursuit of wealth considers those things which appeal to others as the definition of richness and tries to achieve them. However, the basic idea purported here is not nurturing the selfish desire to gather insurmountable amounts of wealth; instead, what is purported here is gathering the yields of mutual benefits. The role attributed to the desires of other individuals also indicates the dominating existence of social factors in individual desires because emotional intimacy is shaped within the limits established by social conditions. For example, being a landowner is an indicator of a farmer's wealth in a village, thus rendering his desire to own lands to go hand in hand with his desire to be wealthy. Especially in such an environment, where being a landowner is a title envied by villagers. Savings is one of the key elements of becoming wealthy and the influence of this behavior on social harmony and economic wealth is undeniable because it is true that "capital increases with savings and decreases by wasting and poor management" (Smith, 2004, p. 361). A thrifty person prevents extravagance in his subsistence as well as in the lifestyles of others and assures improving or preserving the level of general welfare. On one hand, Smith believes that thriftiness generally dominates human life and that the savings earned by thriftiness create the "...desire of improving our conditions..." whereas on the other hand he argues that the sole desire of becoming wealthy and worshipping wealth causes moral corruption.

However, Smith follows the optimism doctrine, even suggesting that a purely selfish desire might manifest positive outcomes in society. Without a doubt, the scenario suggesting that disturbed global harmony will be back more effectively sooner or later depends on the existence of such optimism. Accordingly, arrogance, itself the root of desire to dominate (Smith, 2004, p. 414), and unhappiness caused by pretentiousness and unsatisfied ambitions (O'Neill, 2001, p. 104) controversially form the very infrastructure of development. The desire to become rich, although it might lead to corruption, will continuously

increase the desire for one to work thus assuring that constant development -which is considered to be good- remain a relevant example for society.

In reality, the problem is not solely the desire of wealth; in fact, the existence of social relations, which should be established by any individual in order to achieve wealth, manifests yet another complicated area. All in all, if the wealth to be achieved depends on social reasons, which it does indeed, people will pursue self-interests only in the social sphere. Thus, Smith argues that people are not only after self-interest, but that they are creatures achieving to fulfill their desires by establishing relations of exchange. As a matter of fact, the importance of exchange relationships lays in the fact that these transform self-interest into a basis for social harmony in the free market environment and also under the conditions of being open to competition. Otherwise, a person whose benefits are limited to his own desires and dreams, which will, without a doubt, be against human being's sense of community, will emerge. It is clear that this model contradicts Smith's theory. In order to fully comprehend his theory of development being assured by self-interest, while also being in harmony with natural tendency and social life, Smith presented an idea explaining the element which holds the individual and society together and which discusses moral-sentimental elements.

History of Astronomy and Human's Admiration for the Universe

Smith argues that people admire the balance within the universe. An environment ruled by peace and serenity might be disturbed with delusion and confusion of people. Thus, Smith does not support the idea that radical rationalism is unfailing because he accepts humans as fallible creatures. A person in shock continues to work in order to restore the balance until he finally achieves this goal. The admiration for the universe once again fills up the person's world. Previous experiences and innovation and the desire to discover are two important concepts having a role in the process of recovering from shock. The path from delusion to truth, ignorance to knowledge, shock to balance, and confusion to admiration as well as the balancing function of an

invisible hand all establish the concept of an admirable universe (Smith, 1967). Thus, the imbalances experienced throughout life do not deny the existence of an underlying element of balance present in Smith's works.

In this case, the starting point of an unstable and imbalanced world of people in pursuit of their desires, rather than an approach focused on people and society, brings along an environment of balance highlighting the benefits. As previously stated, benefits stipulate that the relationship between a person and society have the function of balancing all aspects, a situation which therefore wages war on unstableness. Hence unstableness, and eventually imbalance, may survive only temporarily. Balance is restored and people begin to suppress their interests and desires right after this unstableness because the chaos created by desires breeds behaviors and ideas so complicated that they render society's focus on balance to be meaningless. However, interests are not imbalanced in the same way desires are in that interests have a consistent and goal oriented structure. This is why Smith's arguments supporting interests are very meaningful.

The goals considered to be inherent in every person; namely, the goals of becoming famous, making money, and achieving superiority over other people, bring this idea to an entirely new level. Accordingly, Smith does not make a distinction between desires and interests, and instead suggests that class differences are ineffective when it comes to desires. This change indicates the isolation from a line of thought underlining the difference between these desires and interests (Hirschman, 2008, pp. 112-114). In the light of all these facts, a passionate person cannot be disassociated from a rational person who also protects his self-interests, thus creating a person whose emotions do not transcend the limits of his mind and who achieves a nature which does not prevent the fictionalization of social ideals.

Optimistic Approach in Regards to Colonialism

First and foremost, Smith does not disregard the atrocities suffered due to the existing inequalities and earthly ambitions working to prevent universal happiness. Moreover, he might not be considered as an Epicurean, but perhaps

as a Stoic for this reason. He does not base happiness on the pure capability principle and thus portrays a quiet world of the poor as if it were equal to the life of the wealthy (Dennis, 1997, p. 197).

In reality, it is only natural that Smith, being one of the philosophers of an era unquestionably dominated by British hegemony, is under the influence of Stoic principles which had reached their golden age during the Roman Empire. In this context, the factors making up the moral ground of people should be interpreted within the framework of such social ideals. As a matter of fact, Smith believes that such philosophy can find the means of development only in parallel to the power of government and survives in a discourse supposedly globalizing their localness through power.

Naturally, globalizations, harmony, unpredicted outcomes, and optimism concepts, as a whole, determine Smith's approach toward colonial politics and the concept of development. This approach manifests itself most poignantly in the statements made by Smith about Europe and the rest of the world, especially those about the "discovered lands." We should be at least as "optimistic" as Smith if we are to disregard the idea that we are being comforted with the half full, or only possibly half full, glass despite all existence of so much the unfairness and negative practices involved in the process of European development. Here, "the most important factor of assuring" the possible equality and mutual respect mentioned above "is a kind of improvement to be achieved naturally or inevitably through the exchange of information and widespread trading activities between all countries." (Smith, 2002, p. 226).

Harmony between people in pursuit of self-economic interests and their general interests can coexist with the general interest of the community known as the "nation." This approach, which is materially different from the meaning attributed by mercantile politics to the concept of nation, manifests itself on the critical reviews introduced by Smith on political economy. Thus, the conflict between mercantile methods, principles and Smith's ideas based on free trade also bring along with them a semantic shift about the concept of nation (Hobsbawm, 1995, pp. 41-49).

Conclusion

The intellectual relationship of Smith and morality cannot be disassociated from the metaphor of the invisible hand. The main factor having a role in Smith's theory is not trust in moral orders, but the acceptance of balance being assured by an invisible metaphor and by optimism. First of all, the balance in personal life is not independent from this line of thought. Smith argues that social morality is not the source of assuring economic balance on its own.

Smith tried to explain the balance generally established between self-interest and moral sentiments based on the acceptance of optimism and universal balance. In this aspect, it is not important whether an individual is moral or amoral. The important thing here is to underline how moral sentiments can be incorporated into the economic balance. When considered from this point of view, Smith argues that emotions and traditions dominate human behaviors rather than the mind (Gray, 2013, p. 11). The goal of achieving a position superior in the eyes of others goes hand in hand with economic welfare. At this point, Smith's two works titled "The Theory of Moral Sentiments" and "Wealth of Nations" seem to complete each other (Ruben, 2011, p. 31).

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