

UDC 330.222"17"
JEL A10; A13; B12; B30
DOI: <https://doi.org/10.17721/1728-2667.2023/223-2/3>

Billel DJEGHRI, PhD (Econ.), Senior Lecturer
ORCID ID: 0000-0001-8280-8393
e-mail: billel.djeghri@univ-constantine2.dz
Constantine 2 University Abdelhamid Mehri, Constantine, Algeria

ADAM SMITH: EGOISM AT THE SERVICE OF THE ECONOMY

Background. Defenders of scientific economics will enthusiastically look to Adam Smith's writings for arguments in favor of free trade to bolster the metaphor that heralds later formulations of general equilibrium theory, while his critics will be just as tenacious in seeking out Adam Smith's highly debatable assumptions and methods that call into question the discursive chain of political economy. The aim of this article is to situate Adam Smith's thesis of liberalism and his philosophy of egoism in its historical context, in order to better understand the workings of our modern economy and its future, taking note of the fact that Adam Smith sought to transpose certain anthropological principles to the sciences in general, and to economics in particular.

Methods. The author has adopted classic scientific research methods. First, a historical method is used to provide a portrait of Adam Smith and the key events in his life that shaped his vision of economics. Then, a descriptive method focusing on an overview of Adam Smith's main theses on egoism and its interaction with economics. Finally, an analytical method, based on a detour through Adam Smith's anthropology and moral philosophy, will enable us to better understand why a society driven by self-interest can survive and even prosper.

Results. The article concludes that, for Adam Smith, the "egoistic" motive that drives each individual to constantly improve his or her economic situation generates beneficial effects at the national level and leads to the best possible economic organization by achieving the general interest through competition. In this respect, egoism will always be the main force organizing the economic activities of any society. Natural equilibrium therefore results from the interaction of all individuals in the economy and the confrontation of their interests, without the need for any regulatory intervention, because all individuals, in one way or another, are selfish.

Conclusions. For over a century, Adam Smith's thinking on egoism and its role in the economy has been consciously or unconsciously decontextualized to serve the ideology of free-market advocates. It's true that Adam Smith's famous metaphor of the "invisible hand" alluded to the harmonious functioning of the "market". In other words, the selfishness of each leads to an equilibrium through the satisfaction of his or her self-interest. We can't deny that, for Adam Smith, liberalism is still based to a certain extent on the principle of a natural equilibrium resulting from the way we all play our part in the economy and the confrontation of our interests.

Keywords: Adam Smith, egoism, individual interest, harmonization, general interest.

Background

It is in a spirit of respect for the complexity of Adam Smith and some aspects of his work that this paper has been written. If you're expecting to find an exhaustive article on Adam Smith or his work, or even on both, which are closely intertwined in a creative dynamic, then skip it! This manuscript is not for you. Presenting the life and work of Adam Smith once again may seem superfluous, given the celebrity of this author and the ideas he developed more than two centuries after his death. Adam Smith features in every history of economic thought, and almost every book on its foundations. What's more, a huge number of articles have been written, both on his work as a whole, and on specific aspects of it.

Thus, it is possible to find analyses of Adam Smith's extensively developed works, such as *An Inquiry into the Nature and Causes of the Wealth of Nations*. The quantity and quality of these publications are proof, if proof were needed, of the considerable importance of these works. On the one hand, there are those who believe that Smith's thinking can be summed up in an expression he never used: "laissez-faire, laissez-passer". In short, for this school of thought, Adam Smith is The Founder of liberalism. In London The Adam Smith Institute maintains the collective memory of a close link between radical liberal thinking and Smith's theories. On the other hand, there are those who believe that this presentation of Adam Smith's thought is reductive, those who develop an interpretation of Adam Smith's thought that integrates philosophical, religious, economic, and social dimensions as far as possible. Without forgetting the importance of Adam Smith's liberal theses, we will limit ourselves in this article, out of modesty, to exploring certain aspects of his work, but also certain features of his

life, and to resituating his liberalism and philosophy in their historical context.

Methods

To achieve the desired objective, the author has adopted classic scientific research methods. First, a historical method is used to provide a portrait of Adam Smith and the key events in his life that shaped his vision of economics. Then, a descriptive method focusing on an overview of Adam Smith's main theses on egoism and its interaction with economics. Finally, an analytical method, based on a detour through Adam Smith's anthropology and moral philosophy, will enable us to better understand why a society driven by self-interest can survive and even prosper.

Results

But in fact! Who really was Adam Smith? Adam Smith was an 18th-century Scottish philosopher and economist, and one of the leading figures of the Scottish Enlightenment. We'll see later that this clarification will be important in the article. Born on June 5, 1723, in Kirkcaldy (United Kingdom), his start in life was not particularly fortunate, as (Ross, 2010) points out, since his father, also Adam, had died a few months before his birth. His story, to which the science of political economy owes its fundamental foundations, is entirely contained in his two main classic works, namely *The Theory of Moral Sentiments* published in 1759, but above all *An Inquiry into the Nature and Causes of the Wealth of Nations* published in 1776, which is considered to be one of the great books in the history of economics, according to (Berry, 2018). His life, so simple and so full, would have left no trace if it had been up to him, for his modesty matched his knowledge, we might say his genius.

Almost nothing is known of his childhood, except that it was very delicate and at times stormy, according to (Blanqui et al., 1843). A particularly gifted, if absent-minded, pupil from

childhood, Adam Smith left to study in Glasgow at the age of fourteen, where he remained until 1740. Having won a scholarship intended in part to train Scottish Anglican clergy (the status of this scholarship in Smith's time is not clear), he went to study at Oxford University, where he did not enjoy himself. Choosing an academic career, Adam Smith was awarded the Chair of Logic at Glasgow University at the age of twenty-seven, and later the Chair of Moral Philosophy.

Adam Smith is generally regarded as the founder of modern economics, which he helped to establish as a science, but some, such as Murray Newton Rothbard, have defined him as a minor author, considering that his work contained few original ideas and that many of these were false, as (Rothbard, 1995) reports. Dressed in his father's uniform, he ended his life as a customs officer, just like his father, and became increasingly eccentric after his mother's death. On June 8, 1790, Adam Smith, a Scottish customs officer, passed away in relative indifference, leaving behind a body of work that had, nonetheless, already made him famous.

Contextualizing Adam Smith's thinking. If we've decided to write this paper at the crossroads between philosophy, economics, and religion, it's because all economic thinking has philosophical and religious ramifications. In other words, any economic system is always underpinned by a certain worldview, and it's this worldview that interests us in this article. Of course, talking about economics is always a little ambiguous. Why is that? Well, because science is expected to be both reproducible and predictable – these are the two criteria of modern science since they enable a hypothesis to be verified according to certain given parameters. It's easy to see, however, that in economics, reproducibility and, above all, predictability are not always the case, and this is something that economists were much criticized for during the 2008 financial crisis. Indeed, as (Greenspan, 2013, pp. 88–96) points out, virtually no economist saw this crisis coming, and even if some would argue the contrary, there was no consensus or at least majority opinion within economic schools on the arrival of this crisis.

All mathematical schools agree on the Pythagorean theorem, and all physical schools agree on the law of gravitation, but obviously, when it comes to economics, not all schools agree, not all schools foresee and predict the same events, and this is what makes it more difficult to classify economics in the big family of sciences, as (Honoré, 1997) points out.

By the way, everyone in the scientific community knows the slightly mocking joke about economists: "Why did God create economists? It's so that meteorologists' forecasts are taken seriously". It's a little joke that's not intended to discredit economics as such because this article isn't about making a mockery of economics – that's not the point. Rather, it's about understanding how modern economic thought came about under the impetus of Adam Smith and, above all, identifying the worldview or, more precisely, the philosophical and religious conception that structures it. As (Winther, 2016) reminds us, all science depends on a conception of the Universe, and when we understand the worldview that presides over a field of research, we understand its direction and applications much better.

So, as we said, Adam Smith is considered the father of modern economics, and he is the author of an expression that has been taken up and commented on many times in the field of philosophy and economics, namely the expression "invisible hand", with which Adam Smith is strongly associated to the point of becoming almost

synonymous in modern economic thought according to (Kennedy, 2009, pp. 239–263) although it was a relatively common expression at the time Smith came to use it as (Harrison, 2011, pp. 29–49) rightly notes. B. Dupont and Y. Durham (Dupont, & Durham, 2021) explain that when Smith spoke of the "invisible hand", he meant the invisible hand of the market, the latter being the place where supply and demand meet. In the 18th century, the market didn't have the level of deployment and complexity it has today, but let's just say that as far as the productive economy and the exchange of goods and services were concerned, the principles were already globally well-defined, and this expression "invisible hand" was intended to image a phenomenon that economists consider central, namely the phenomenon of the harmonization of interests.

Indeed, economic thought is founded on the idea that private interests harmonize mutually. We should point out immediately that Adam Smith's "invisible hand" is not a concept, nor is it the center of gravity of Smith's theory, even if some have placed it at the center of his masterpieces, as (Klein, & Lucas, 2011, pp. 43–52) have noted. It is simply an image, a simple metaphor, as (Wight, 2007, pp. 341–358) points out, and moreover, it is an expression that appears only three times in his published body of work, which includes a treatise on moral philosophy *The Theory of Moral Sentiments* (1759), an essay on the origin of language *Considerations Concerning the First Formation of Languages* (1761), a work on political economy "An Inquiry into the Nature and Causes of the Wealth of Nations" (1776) and a posthumous work *Essays on Philosophical Subjects* (1795) comprising a number of essays on subjects as diverse as astronomy, the philosophy of science, the imitative arts, the external senses and more. So it would be unfair, to say the least, to reduce Adam Smith's thought to the phrase "invisible hand".

In this article, we fully share the opinion of all those economists who consider that the expression "invisible hand" is often used to caricature or oversimplify Adam Smith's thinking, and we agree all the more since we're about to see that Adam Smith's thinking is not monolithic, it's just that any theory or doctrine escapes the control of its author and always ends up becoming an autonomous force. While we can't blame Adam Smith for creating a religion of economics, we are forced to observe that his ideas were the seeds from which a veritable mystique of the market flourished. But if it seems unfair to us to reduce Adam Smith's thinking to this single "invisible hand" metaphor, it's because in his work *The Theory of Moral Sentiments* he takes a very clear stand in favor of altruism, in favor of the idea that human beings are fundamentally driven by compassion and empathy. This seems to stand in stark contrast to the thesis he defends in *An Inquiry into the Nature and Causes of the Wealth of Nations*, published 17 years later, namely that human egoism is the driving force behind the prosperity and happiness of nations. It is this ambivalence of thought that has given rise to what some economists have called 'the Adam Smith problem', a problem that lies in the opposition and apparent contradiction between two strands of his thought, the altruistic side of *The Theory of Moral Sentiments* and the egoistic side of *An Inquiry into the Nature and Causes of the Wealth of Nations*. The reason why this article focuses on *An Inquiry into the Nature and Causes of the Wealth of Nations* is that it has to be said, it has had the greatest influence on the economic history of Western nations, rather than *The Theory of Moral Sentiments*, which looks anything but self-interested, according to (Ashraf et al., 2005, pp. 131–145).

However, we also feel it essential to point out that these two main works by Adam Smith, which are based on apparently contradictory themes of human nature – namely, non-cooperative self-interest and sympathy for others – are in fact, only contradictory if we fail to distinguish impersonal exchange in the market from personal exchange. Indeed, in the first case, non-cooperative behavior maximizes the gains from exchange and is the basis for specialization and wealth creation. As for the second case, cooperative behavior in personal exchange based on reciprocity – exchange of gifts, favors, and assistance over time – maximizes the gains from social exchange. Indeed, Vernon's finding that people can be both cooperative and uncooperative has been corroborated by laboratory experiments (Vernon, 1998, pp. 2–19).

Egoism, what a high virtue! After this lengthy preamble to introduce and contextualize Adam Smith's thinking, we'll now turn to the expression "invisible hand" to find out what it means and what it covers.

The idea behind the expression "invisible hand" is that there is a principle of natural harmonization of private interests. In other words, individual interests would converge, and it goes even further since the principle of the "invisible hand" is that if each individual pursues his or her own private interests, if each individual is only interested in pursuing his or her own selfish interests, then, without realizing it, each individual will contribute to the common good. One way of summarizing the "invisible hand" principle, according to (Sabéran, 2014, p. 55), is to say that private interests make for public prosperity, in other words individual interests spontaneously coordinate in the market and satisfy the general interest.

The expression "invisible hand" appears only once in *An Inquiry into the Nature and Causes of the Wealth of Nations*, yet the claim that it is central sets the tone for the interpretation of Adam Smith's legacy to this day according to (Tabb, 1999, p. 38), when in fact it is an inaccurate transcript of Smith's thinking, since today it serves only to convey the most fearsome ideas of the most radical followers of liberalism and the benefits of the market economy. This expression was used and explained by Adam Smith (Smith, 1776) in the following passage: "By preferring the support of domestic to that of foreign industry, he intends only his own security; and by directing that industry in such a manner as its produce may be of the greatest value, he intends only his own gain, and he is in this, as in many other cases, led by an invisible hand to promote an end which was no part of his intention. Nor is it always the worse for the society that it was no part of it. By pursuing his own interest he frequently promotes that of the society more effectually than when he really intends to promote it". Reading this extract, we can better grasp what Adam Smith describes as the virtues of egoism, i. e. the virtues of pursuing our private interests. It's the idea that if we all pursue our own interests, we unwittingly contribute to the economic progress of society.

Another way of putting it, a little more directly, is that egoism is the motor of economic growth, and egoism is the motor of the prosperity of nations; so where morality condemns egoism, where morality condemns the withdrawal of the individual into his private interests, economics will on the contrary exalt egoism, economics will make egoism a virtue. What's very important to understand in this idea of the "invisible hand" is that the economic progress of society in no way enters into the mind of the individual who pursues his own interests, and when we say that it doesn't enter into the mind it's quite simply linked to the fact that the harmonization of interests is a natural phenomenon, is an

impersonal phenomenon, is a phenomenon that doesn't involve the will of individual agents.

To make an analogy, let's imagine that to build a house you call on the services of various tradesmen, each of whom will only take care of the work they've been contracted to do: the tiler won't check the strength of the walls, the bricklayer won't check that the electrician's wiring is properly installed, etc. The problem for each of these tradesmen is to get the job done right. The problem for each of these craftsmen is to get the job done right. In a way, the fact that the house meets the buyer's expectations, or that the house is pleasant to live in for its owner, is not the concern of the craftsmen, in the sense that what motivates them to do a good job is not to make the owner of the house happy, because making the owner of the house happy would be part of an altruistic and benevolent approach. But the principle of the "invisible hand" is that individuals never have in mind the purpose of what they are contributing to. As Otteson (2018) points out, market players are totally disinterested in the economic prosperity of their nation, and that's not their problem. Their problem is how to make money, how to make a profit, and it's because they are driven and motivated by this single impulse of individual ambition that they will do a good job, and therefore contribute to the prosperity of their nation.

The idea of the "visible hand" is that one participates all the more effectively in the economic prosperity of the nation the more preoccupied one is with one's own particular interest, and this is what makes it possible to understand that other extremely well-known quotation in which Adam Smith tells us "It is not from the benevolence of the butcher, the brewer, or the baker, that we expect our dinner, but from regard to their own interest. We address ourselves, not to their humanity but to their self-love". In other words, our butcher doesn't do a good job because he wants to make us happy, he doesn't do a good job because his motivation is to please us, he does a good job because it's in his interest, because the better he does, the more people will turn to him, the more likely he is to win our loyalty and the more profit he'll reap. This leads naturally to the paradoxical conclusion that the more we work to satisfy our egoism, the more we contribute to the happiness of all.

For Ioannou and D. Wójcik (Ioannou, & Wójcik, 2021, pp. 5425–5434), it's important to mention that this idea of the "invisible hand" is based on a well-known economic principle: the division of labor, i. e. the fact that each person will work in his or her own area of specialization, that each person will intervene in one aspect of the production chain. To put it simply and clearly: not everyone can do everything, not everyone can do the same job.

So the division of labor, i. e. the division of tasks and specialization as a condition of productivity, which was strongly influenced by Taylorism in the 19th century, as (Janoski, & Lepadatu, 2014) argue, lies at the root of Adam Smith's thinking, and this is what makes the principle of specialization one of the specificities of modern economics, since until modern times, and more particularly until the invention of industry, production was not necessarily considered to be based on the division of tasks.

A craftsman in antiquity or the Middle Ages was someone who was involved in all stages of the production chain, someone who had a holistic relationship with his production. The opposite of this holistic relationship is, of course, hyperspecialization. If we recall in this article these fairly elementary principles of the division of labor, it's first of all to put our finger on something that enables us to understand better this idea of harmonizing interests, it's to put our finger on the interdependence of economic agents,

and interdependence means that the sum of individual agents forms a system. From this point of view, we can speak of an organic vision of the economy, that is to say, we can consider the economic life of a nation as an organism in which each of the organs occupies a function that is oriented towards the functioning of the whole.

The reason for this clarification is to underline the fact that, at that time in the 18th century, economic progress was influenced by philosophy, which was itself particularly influenced by the rise of the physical sciences, as (Hindman, 2009) points out, in particular by the idea that any individual element or agent is defined by its action within a coherent whole. To put it bluntly, the thinkers of the time believed that it was possible to apply the laws and behaviors governing the physical world to the field of economics, so Adam Smith's economic thought was not an intellectual creation *ex-nihilo*, nor was it the fruit of free inspiration without any methodological foundation. The principle of the "invisible hand" is not the fruit of pure intuition, but simply the transposition into the economic sphere of the laws and principles that govern the physical world. To understand this idea, we need to bear in mind the importance that 18th-century thinkers attached to the methods of experimental natural sciences, of which physics and astronomy are the privileged models. Let's not forget that in the 17th century, progress in the natural sciences was phenomenal, leading to a total paradigm shift, and it was then that we realized just how fine and precise the laws of the Universe's organization were.

It's important not to underestimate the fascination of the intellectuals of the time for the formidable organization of the laws of the Universe that science was enabling them to discover, and it's not for nothing that this period saw a redefinition of the concept of God, the image increasingly in vogue in intellectual circles is that of a god represented as a Great Architect who designed the Universe on a mathematical model. The more we discovered about the laws of the Universe, the more we realized how effective science was at shedding light on these laws, and the more we developed the desire to understand human behavior using the methods and tools of science.

As a professor of moral philosophy and part of the Scottish Enlightenment, which was a school of thought based on natural theology, Adam Smith was influenced by the ideas of "natural law" that permeated 18th-century intellectual circles. The repeated use of the term "natural" throughout the discussions of the leading figures of this school of thought suggests that human beings can themselves observe the nature of life and society, God's purposes, and the appropriate mode of behavior as (Meek et al., 1978) pointed out. There are natural laws that can be grasped and are best followed for the betterment of society. The "natural law" that mattered most to Adam Smith was the freedom of each human being to seek his or her own interest, limited only by respect for the freedom of others.

For Adam Smith, under no circumstances should rulers use their power to grant special privileges or impose restrictions on initiative. In opposition to interventionist views, Adam Smith proposed the model of an atomistic market where the "invisible hand" freely did its miraculous work of transforming self-interest into social good. These are the aspects of *An Inquiry into the Nature and Causes of the Wealth of Nations* that classical economists emphasize, even though Adam Smith is also known to have railed against the confiscation of power by big business and its allies in government, and its use for

purposes that run counter to workers interests informs us W. Tabb (Tabb, 1999, p. 35).

The questions that then arise are: What does this have to do with selfishness? What does it have to do with the idea that the driving force behind economic prosperity is the pursuit of self-interest? It's quite simple. To understand it, we need only highlight this quote from Claude-Adrien Helvétius (Helvétius, 1758), an 18th-century French philosopher, who said: "If the physical universe is subject to the laws of motion, the moral universe is no less subject to those of interest". From this quotation, we understand that what's at stake is the description of the laws of human behavior on the model of the laws of behavior of physical bodies. What's at stake is understanding that just as physical elements are subject to forces that can be modeled through physical laws, so it is possible to model the laws of human behavior, and just as physical bodies are subject to the law of attraction, moral bodies are subject to the law of interest.

In simpler terms, the principle of all our actions, the driving force that directs us in our actions, is interest, the inner, individual force that pushes us to act without the need for compulsion. Give someone an interest in acting, and you'll have no need to compel them. The principle of modern economics is the pursuit of mutual interest, and in an intellectual paradigm in which the elements harmonize, in which each person contributes to the interest of the whole, it becomes as necessary as it is advantageous to let each person pursue his or her own interest. The law of interest is the transposition to the economic sphere of the law of attraction of bodies in the physical sphere.

In the 18th century, the analogy between human behavior and the behavior of physical bodies went even further, with metaphors that often compared a nation's economic activity to the physiological activity of a living organism. Veins allow blood to circulate, just as rivers allow goods to flow, ultimately contributing to a healthy economic metabolism.

So it's clear that the persistence of these metaphors highlighting the analogy between the physical and economic worlds speaks volumes about the faith that existed at the time in the application of the scientific method to all areas of life. In this sense, modernity is the moment when we decided to take a scientific look at human nature. By the way, this is something that was already apparent in the 17th century, notably in the political theory of Thomas Hobbes, who also postulated that egoism was the fundamental principle of human behavior as (Mendie, & Egbai, 2015, pp. 101–107) pointed out.

As a reminder, in Hobbes, it is the structural egoism of human beings that brings them into conflict, that brings them to the war of "all against all", as (Ryan, 2018, 639–649) tells us, but it is this same egoism that brings them out of the war of "all against all" by entering into a social pact in which they transfer their natural freedom to a sovereign in exchange for their security, as (Corsa, 2021, pp. 201–226) pointed out. So, even back then, we had a first example of modeling human behavior on the scientific laws of the physical world. This is what we call positivism, i. e. the application of the scientific method to all spheres of existence, including moral behavior, including that which seems at first sight to escape the laws of physical determinism.

Deism/science analogy, religion/science contradiction.

In recent decades, Islamic economics has emerged as a new economic, ethical, moral, and virtuous doctrine that can provide guidance to policymakers according to (Wilson, 2014), but it's no less true that long before the advent of Islam, the words "morality" and "economics" already had

their origins in the classical intellectual world and Aristotle's social theory informs us (Bowles, 2016). Even then, excessive profits or even the mere charging of interest were considered immoral. Economics was one of the three domains of practical philosophy, alongside politics and ethics. It wasn't until the 18th century that moral economics was detached from morality and draped in a religious cloak, becoming nothing more than an insignificant religious concept, so much so that today the mention of this concept against a backdrop of words like generosity, equity, kindness, sharing or justice is laughable. This raises the question of whether we can ignore the moral foundations of our lives. To answer this question, we need to highlight something paradoxical in Adam Smith's thinking: the theory of human economic behavior and the resulting theory of the "invisible hand" are justified by two seemingly opposite methodological approaches.

Indeed, when we take a closer look at the thesis of the natural harmonization of interests, we realize that it stems from both a religious conception – what we'll call faith in divine providence, i. e. the idea that God as the Great Architect has ensured that our behaviors converge and harmonize mutually – and a scientific conception in which each element of a system unknowingly and unwittingly contributes to the harmonious functioning of the whole. So here we have a magnificent synthesis between the religious and the scientific spirit, since in both cases we find the same idea, namely that each element, in pursuing its own end, works towards the functioning of the whole. However, the idea that each individual should be left to pursue his or her own interests and give free rein to their egoism is in total contradiction with all moral concepts based on charity, self-sacrifice, or sacrifice.

Even though Adam Smith's "invisible hand" fits in perfectly with the deistic vision, it is in total contradiction with monotheistic religious morality in general, which makes egoism not the driving force behind human behavior, but a vice to be combated, because if egoism is at the root of the prosperity of nations, and if at the same time, we consider that the prosperity of nations is a goal to be achieved. It's easy to come to the conclusion that moral prohibitions need to be abolished – in other words, that we need to move away from considering egoism as a vice, to considering it axiologically neutral in terms of values and standards, to consider it simply as the driving force behind economic progress. Here, of course, we are moving away from Adam Smith's recommendations in terms of economic behavior, as he never prescribed the abolition of moral norms, and even less the abolition of the legal laws that govern the behavior of individuals in a society. Indeed, his ideas have often been misinterpreted, as (Liu, 2020, pp. 1041–1068) rightly points out. For example, he never called for the promotion of vice for vice's sake, nor did he advocate a religion of evil; he simply considered that every egoism has a positive counterpart, which is economic prosperity.

Adam Smith didn't believe that egoism alone was enough to guarantee a good society, according to (Magdalena, 2006), nor did he champion licentious behavior or transgression and immorality, but it must be said that the logic of his theoretical system leads to this conclusion, and as previously stated, once disseminated in the public arena, ideas escape the control of their authors and become autonomous forces.

Discussion and conclusions

We can conclude from Adam Smith's reasoning that man spontaneously seeks to satisfy his particular desires, that he pursues his own self-interest. For Smith, this natural egoism

poses no major moral problem, insofar as man's tendency to ensure his own happiness first and foremost contributes to the realization of general happiness. In other words, vices such as pride and vanity contribute to the public good, while virtues such as modesty and honesty produce the opposite effect, because in a sober society, we pay more attention to our consumption, we take fewer baths, we turn down the thermostat, we turn off the wifi, we use our cars less, we limit our purchases at the supermarket... and all this means less growth from a strictly economic point of view.

So it's the dynamics of vested interests that drive a society's prosperity. Adam Smith clearly showed that it's interest that drives the baker to get up in the middle of the night to prepare the daily bread of his fellow citizens and that it's the same thing for the brewer. It's certainly the same for the people who prepare Shish Kebab in Turkey, Sushi in Japan, or Couscous in North Africa. All these examples highlight the dichotomy between moral virtue and economic prosperity and show that the market is the culmination and centerpiece of the process of empowering the moral, political, and economic spheres.

If egoism stimulates growth, as Adam Smith emphasized, then it is essential to understand the polymorphous nature of egoism, i. e. its most diverse forms. All altruism conceals an underlying selfishness. The tendency to devote oneself to others and to help those in need, i. e. the empathy felt for someone in difficulty and the resulting action, is often a behavior motivated by the expectation, conscious or unconscious, that acting altruistically will bring us social benefits, or at least provide us with similar assistance in the future should we find ourselves in a situation of similar difficulty. It's a behavior that can also be motivated by the desire to eliminate the feeling of unease we feel when faced with the misfortune of others – in other words, to eliminate the cause of unhappiness to feel better. Finally, it's a behavior that can be motivated by the search for a certain personal satisfaction generated by an altruistic act. In the end, our altruism may be nothing more than disguised or repressed egoism, based as it is on our own sensitivity, need, desire, or fear.

Starting from this premise, everything is egoism – eating and drinking alone are expressions of our physiological ego – and everyone is egoistic. Adam Smith's "problem" is then simply badly posed: it's not a question of knowing whether the driving sentiment of social life is egoism or sympathy, but of knowing how man's egoism is expressed and, incidentally, what the consequences of this egoism are for the economy.

References

- Ashraf, Nava, Colin, F. Camerer, & Loewenstein, George. (2005). Adam Smith, Behavioral Economist. *Journal of Economic Perspectives*, 19 (3), 131–145. <https://pubs.aeaweb.org/doi/pdfplus/10.1257/089533005774357897>
- Berry, Christopher J. (2018). *Adam Smith: A Very Short Introduction*. Oxford University Press, United Kingdom.
- Blanqui, J. A., Buchanan, D., Say, J. B., McCulloch, J. R., Smith, A., & Simonde de Sismondi, J.C.L. (1834). *Recherche sur la nature et les causes de la richesse des nations* (2 éd.). J. A. Blanqui. France.
- Bowles, Samuel. (2016). *The Moral Economy: Why Good Incentives Are No Substitute for Good Citizens*. Yale University Press, New Haven and London, United Kingdom.
- Corsa, Andrew J. (2021). Thomas Hobbes on Civility, Magnanimity, and Scientific Discourse. *Hobbes Studies*, 34(2), 201–226. <https://doi.org/10.1163/18750257-BJA10032>
- Dupont, Brandon, & Durham, Yvonne. (2021). Adam Smith and the not so invisible hand: A revision for the undergraduate classroom. *International Review of Economics Education*, 36(C). <https://doi.org/10.1016/j.iree.2020.100205>
- Greenspan, Alan. (2013). Never Saw It Coming: Why the Financial Crisis Took Economists by Surprise. *Foreign Affairs*, 92(6), 88–96. <https://www.foreignaffairs.com/united-states/2008-crisis-never-saw-coming>

- Harrison, Peter. (2011). Adam Smith and the History of the Invisible Hand. *Journal of the History of Ideas*, 72(1), 29–49. <https://doi.org/10.1353/jhi.2011.a413473>
- Helvétius, Claude-Adrien. (1758). *De l'esprit*, Laurent Durand, France.
- Hindman, Hugh D. (2009). *The World of child labor: an historical and regional survey*, Routledge, USA.
- Honoré, Lionel. (1997). *L'Économie est-elle une science? : Un exposé pour comprendre, un essai pour réfléchir*, Flammarion, France.
- Ioannou, Stefanos., & Wójcik, Dariusz. (2021). Was Adam Smith an economic geographer? *GeoJournal*, 87, 5425–5434. <https://doi.org/10.1007/s10708-021-10499-y>
- Janoski, Thomas., & Lepadatu, Darina. (2014). *Dominant Divisions of Labor: Models of Production that Have Transformed the World of Work*, Kindle. USA.
- Kennedy, Gavi. (2009). Adam Smith and the Invisible Hand: From Metaphor to Myth. *Econ. Journal Watch*, 6(2), pp. 239–263. <https://econjwatch.org/File+download/252/2009-05-kennedy-watchpad.pdf?mimetype=pdf>
- Klein, Daniel B., & Lucas, Brandon. (2011). In a Word or Two, Placed in the Middle: The Invisible Hand in Smith's *Tomes*. *Economic Affairs*, 31(1), 43–52. <https://doi.org/10.1111/j.1468-0270.2010.02047.x>
- Liu, Glory M. (2020). Rethinking the "Chicago Smith" Problem. *Adam Smith and the Chicago School*, 1929–1980. *Modern Intellectual History*, 17(4), 1041–1068. <https://doi.org/10.1017/S147924431900009X>
- Magdalena, Planeta. (2006). *L'influence intellectuelle en économie : le cas d'Adam Smith et d'Amartya Sen*. Université du Québec à Montréal. Canada.
- Meek, Ronald L., Raphael, David D., & Stein, Peter G. (1978). *Adam Smith, lectures on Jurisprudence*. Indianapolis Liberty Fund, United Kingdom.
- Mendie, Patrick J., & Egbai, Mary J. (2015). An examination of the nexus between Thomas Hobbes: Concept of Human Nature and Theory of the State. *African Journals Online*, 15(2), 101–107. <https://www.ajol.info/index.php/sophia/cart/view/136855/126350>
- Otteson, James. (2018). *The Essential: Adam Smith*. Fraser Institute, Canada, pp. 45–49. <https://www.fraserinstitute.org/sites/default/files/essential-adam-smith.pdf>
- Ross, Simpson I. (2010). *The Life of Adam Smith*. OUP Oxford, United Kingdom.
- Rothbard, Murray N. (1995). *Economic Thought Before Adam Smith: an Austrian Perspective on the History of Economic Thought*, (vol. I). Ludwig von Mises Institute, USA.
- Ryan, Alan. (2018). Escaping the War of All against All: Leviathan, Thomas Hobbes. *Social Research: An International Quarterly*, 85(3), 639–649. <https://doi.org/10.1353/sor.2018.0036>
- Sabéran, Shirine. (2008). La notion d'intérêt général chez Adam Smith: de la richesse des nations à la puissance des nations. *Géoeconomie*, 45(2), 55–71. <https://doi.org/10.3917/geoecon.045.0055>
- Smith, Adam. (1776). *An Inquiry into the Nature and Causes of the Wealth of Nations*. Edwin Cannan, United Kingdom.
- Tabb, William K. (1999). *Reconstructing Political Economy: The great divide in economic thought*. Routledge, United Kingdom.
- Vernon L, Smith. (1998). The Two Faces of Adam Smith. *Southern Economic Journal*, 65(1), 2–19. <https://doi.org/10.2307/1061349>
- Wight, Jonathan B. (2007). The Treatment of Smith's Invisible Hand. *The Journal of Economic Education*, 38(3), 341–358. <https://doi.org/10.3200/JECE.38.3.341-358>
- Wilson, Rodney. (2014). *Economics and morality from an Islamic perspective*. Edward Elgar Publishing, United Kingdom.
- Winther, Rasmus G. (2016). *The Structure of Scientific Theories*. The Stanford Encyclopedia of Philosophy, Stanford University.

Отримано редакцією журналу / Received: 15.08.23
Прорецензовано / Revised: 21.09.23
Схвалено до друку / Accepted: 19.10.23

Біллел ДЖЕГРІ, канд. екон. наук, ст. викл.

ORCID ID: 0000-0001-8280-8393

e-mail: bilhel.djeghri@univ-constantine2.dz

Університет Константина 2 імені Абдельгаміда Мергі, Константина, Алжир

АДАМ СМІТ: ЕГОЇЗМ НА СЛУЖБІ ЕКОНОМІКИ

Вступ. Прихильники наукової економіки з ентузіазмом шукатимуть у працях Адама Сміта аргументи на користь вільної торгівлі, щоб підкріпити метафору, яка проголошує пізніші формулювання теорії загальної рівноваги, у той час як його критики будуть настільки ж наполегливі у пошуку екстраординарних дискусійних припущень і методів, які ставлять під сумнів дискурсивний ланцюг політичної економії. Метою цієї статті є визначення історичного контексту теорії Адама Сміта про лібералізм і його філософію егоїзму, з метою кращого розуміння принципів функціонування сучасної економіки та її майбутнього, беручи до уваги той факт, що Адам Сміт намагався перенести певні антропологічні принципи до науки загалом і до економіки зокрема.

Методи. Автор використав класичні наукові методи дослідження. По-перше, історичний метод використовується для створення портрета Адама Сміта та ключових подій у його житті, які сформували його бачення економіки. Описовий метод зосереджений на огляді основних тез Адама Сміта про егоїзм та його взаємодію з економікою. Нарешті, аналітичний метод, в основу якого покладено огляд антропології та моральної філософії Адама Сміта, дозволить краще зрозуміти, чому суспільство, кероване власними інтересами, може вижити і навіть процвітати.

Результати. У статті робиться висновок, що для Адама Сміта "егоїстичний" мотив, який спонукає кожну людину постійно покращувати своє економічне становище, створює позитивні наслідки на національному рівні та веде до найкращої можливої економічної організації шляхом досягнення загальних інтересів через конкуренцію. У цьому відношенні егоїзм завжди буде основною силою, що організує економічну діяльність будь-якого суспільства. Таким чином, природна рівновага є результатом взаємодії всіх індивідів в економіці та протистояння їхніх інтересів без необхідності будь-якого регуляторного втручання, оскільки всі індивіди, так чи інакше, є егоїстами.

Висновки. Понад століття погляди Адама Сміта на егоїзм і його роль в економіці свідомо чи несвідомо деконтекстуалізувалися, щоб служити ідеології прихильників вільного ринку. Дійсно, знаменита метафора Адама Сміта про "невидиму руку" натякала на гармонійне функціонування "ринку". Іншими словами, егоїзм кожного веде до рівноваги через задоволення його власних інтересів. Ми не можемо заперечувати, що для Адама Сміта лібералізм усе ще певною мірою базується на принципі природної рівноваги, яка є результатом того, яким саме чином ми всі відіграємо свою роль в економіці та протистоянні наших інтересів.

Ключові слова: Адам Сміт, егоїзм, приватний інтерес, гармонізація, загальний інтерес.

Автор заявляє про відсутність конфлікту інтересів. Спонсори не брали участі в розробленні дослідження; у зборі, аналізі чи інтерпретації даних; у написанні рукопису; в рішенні про публікацію результатів.

The author declares no conflicts of interest. The funders had no role in the design of the study; in the collection, analyses or interpretation of data; in the writing of the manuscript; in the decision to publish the results.