

Inquires into the Genealogy of Self-interest in Adam Smith

Germán Scalzo*

*This work inquires into the genealogy of self-interest, from half XVII century to the publication of *The Wealth of Nations*, in 1776, which is considered to be the foundation of Modern Economic Science. The selfish hypothesis –the idea that self-interest is the motive of human action–, which is based on an Epicurean–Agustinian scheme, will be placed in the Smith neo-Stoic perspective. Otherwise, political and economical arguments for Capitalism before his triumph will be analyzed, in relation with the evolution of passions and interests.*

Keywords: *Self-interest, Self-love, Passions, Interest, Selfish hypothesis, Epicurean, Agustinian, Neo-Stoic, Interested-disinterested commerce.*

*En el presente trabajo se analiza la génesis del concepto de interés propio, desde mediados del siglo XVII hasta la publicación de *La riqueza de las naciones*, en 1776, considerado el comienzo de la Ciencia Económica Moderna. Se cuestiona el lugar que ocupa la hipótesis egoísta –según la cual las personas solo actúan por motivos de interés propio–, que responde a un esquema de pensamiento epicúreo-agustiniano, en el Sistema de Smith, cuyo enfoque parece ser neo-estoico. Asimismo, se analizan los argumentos políticos y económicos a favor del capitalismo, previos a su triunfo, en relación a la evolución de las pasiones y los intereses.*

Palabras clave: *Interés propio, Amor propio, Pasiones, Hipótesis egoísta, Epicúrea, Agustiniana, Neo-estoico, Comercio interesado-desinteresado.*

It is generally assumed that the publication of *The Wealth of Nations*, in 1776, marked the birth of modern Economic Science, and the triumph of the *interest paradigm* (the idea that self-interest is the

* Germán Scalzo es Investigador en Formación en el departamento de Economía de la Universidad de Navarra (german.scalzo@gmail.com).

main motive of human action)¹. As a result, Adam Smith is considered the father of this paradigm, known as the “selfish hypothesis”. However, as it is emphasized in Force’s work², while the roots of this hypothesis are neo-Epicurean, and had been the result of a large ideological debate, Smith’s position seems to be a neo-Stoic³ one.

In 1977, Albert Hirschman, in his well-known *The Passions and the Interests: Political Arguments for Capitalism before its Triumph*⁴, looks for the connections between the modern concept of *self-interest* and the development of moral philosophy in the seventeenth century. It is widely accepted that Adam Smith constructed his political economy upon this axiom. Hirschman shows how the use of the term *interest* has changed in the course of the evolution of language and ideas, being reduced to the economical meaning rather late in the history of the term⁵.

There is a long controversial tradition before Smith that shows different angles of the question. Without taking the credit away from his work, we could affirm that his originality was the synthesis of the dominant ideas of different traditions. As Martínez-Echevarría says: “It must be recognized that his work [Smith] is not a role model of originality and innovation. It is not necessary to make a deep criticism to see how he appropriates, freely, of the economic ideas developed by his predecessors. [...] However, if he was

1 Stigler characterizes Adam Smith’s *Wealth of Nations* as a “stupendous palace erected upon the granite of self-interest”. Edgeworth asserted that “the first principle of Economics is that every agent is actuated only by self-interest”. See Force, P. (2006), p. 7.

2 Force, P. (2006).

3 *Neo-Stoicism* is the term employed to refer to the renewed Stoic ideas appearing during the European Renaissance (ie, fifteenth to seventeenth centuries). See López-Peláez Casellas, J. (2004).

4 Hirschman, A. (1977).

5 Hirschman, A. (1977), p. 32.

capable of systematize and coordinate them, it was because he sensed the basic problem of what today is called market economy: to combine private initiative with common interest”⁶.

Indeed, “the main impact of *The Wealth of Nations* was to establish a powerful economic justification for the untrammelled pursuit of individual self-interest”⁷. In order to support this idea, a famous passage is generally quoted: “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”⁸. However, the term *self-interest* is remarkably rare in *The Wealth of Nations*, where Smith usually uses the term *own interest*. *Self-interest* appears only once in this work, in the context of a discussion of religion, when Smith argue that Catholic priests work harder than Protestant ones because they depend upon voluntary gifts from their parishioners⁹. In the passage quoted, Smith does not refer to *self-interest* but rather to *self-love*¹⁰. Force warned about the temptation of using them as synonyms, and he describes the *self-love*, or his French equivalent *amour-propre*, as “the translation of a technical term used by Renaissance humanists, *philautia*”¹¹, which carries with a long philosophical and literary tradition.

In the time when Smith wrote his works, the dominant view was the *interest doctrine*, which supports that selfish motives are behind all

6 Martínez-Echevarría, M.A. (1983), p. 52.

7 Hirschman, A. (1977), p. 100.

8 WN I.2.2, p. 26.

9 Smith explains that “[in the Catholic Church] the industry and zeal of the inferior clergy are kept more alive by the powerful motive of *self-interest* than perhaps in any established Protestant church”. WN V.i.3.3, p. 789.

10 “We address ourselves, not to their humanity but to their self-love, and never talk to them of our own necessities but of their advantages”. WN I.ii.2, p. 27.

11 *Philautia* is itself the transliteration of a term used by Plato.

human actions¹². This position has a close relation with Epicurean ethics and caused the most important division between moral philosophers. Hume rejects this idea, which he calls the “*selfish hypothesis*”, and Smith follows him in *The Theory of Moral Sentiments*, where he criticizes Epicurus’s moral system for being constructed in a first principle. It is well known that for Epicurus, prudence was “the source and principle of all virtues”¹³, and it is based mainly in self-interest. Smith explicitly rejects the interest doctrine¹⁴ and integrates it at the same time, conceiving the political and moral equilibrium as a consequence of the natural harmony between individual passions –interests– and social welfare. Consequently, self-interest motives, instead of a sign of natural selfishness, are the result of a providential harmony.

By the middle of eighteenth century, the *interest doctrine* had reached an extraordinary success. The most famous presentation of this doctrine is Bernard Mandeville’s *Fable of the Bees*, in which he sustains that “a society which was endowed with all the ‘virtues’ would be a static and stagnant society. It is when individuals, seeking their own enjoyment and comfort, contrive or promote new inventions and when, by luxurious living, they circulate capital, that society progresses and flourishes. In this sense private vices are public benefits”¹⁵. Mandeville continues the hobbesian interpretation of the natural egoism in men, with the great difference that he promotes

12 In seventeenth century, the predominant view of the man was a pessimistic one, as we can see in the works of thinkers like Hobbes, Pascal, Racine, Nicole, Domat, Mandeville, La Rochefoucauld, etc. See Lázaro Cantero, R. (2002), p. 24.

13 TMS VII.ii.2.8, p. 350.

14 TMS I.i.1.1, p. II: “How selfish soever man may be supposed, there are evidently some principles in his nature, which interest him in the fortune of others”.

15 Copleston, F. (1964), p. 177. See *Mandeville’s Paradox*, in Mandeville B. de (1997), pp. xxviii to xxxiii.

the individual vices for the welfare of society¹⁶. Because Mandeville sees the quest for pleasure as the source of human actions, he can be considered an Epicurean.

For the Epicureans, the universality of the quest for pleasure is an axiomatic, self evident truth, which applies to every human manifestation; even though to religious matters (we love God because we find pleasure in it). In his *Confessions*, Augustine analyzes this, and in book XIX of *The City of God*, he attacks the Stoic idea that men can attend happiness by their own efforts even though standing pain. For him, pain and suffering are evil, no matter how one looks at them, and virtues have consistently failed to make us happy, being nothing but a proof of the wretchedness of our human condition. After the original sin, the human will does not control itself anymore, and it is driven only by self-love. The criticism of virtues is the dominant theme in the works of early modern Augustinian writers, like, for example, La Rochefoucauld¹⁷, who in his *Maxims* shows self-love (Augustine's *amour sui*) as the driver of human actions. For him, every human relationship is an exchange of favours, inspired by self-love¹⁸, whose sole objective is his own existence¹⁹.

These two interpretations are strictly incompatible, since one is hostile to religion and the other comes from a Father of the Church. However, in this field, Augustinians and Epicureans converge in the

16 Mandeville, B. de (1988), p. 24. "Thus every Part was full of Vice, Yet the whole Mass a Paradise [...] And ever since, the worst of all the Multitude Did something for the Common Good".

17 La Rochefoucauld had a close relationship with Jacques Esprit, author of *La Fausseté des vertus humaines*.

18 La Rochefoucauld, F. de (1984), p. 39: "What men call friendship is just an alliance, a pooling of mutual interests, and an exchange of favours; in short, a commerce where self-love always sets out to obtain something".

19 La Rochefoucauld, F. de (1984), p. 91. Maxim 1, deleted after First edition.

centrality of pleasure as the motive of actions and they consider human virtues a sign of arrogance and hypocrisy²⁰. That is why they have a common enemy, the Stoics, who claim that the chief good resides precisely in the practice of virtue. “It is the Epicurean/Augustinian doctrine of self-interest that Rousseau and Smith attack from a Stoic point of view”²¹, because, like most thinkers of the Enlightenment, they wanted to believe that the practice of virtue is within the reach of human power. In order to do so, the starting point is a reconstruction of Mandeville’s anthropology.

Although Mandeville mistrusts human motives, there is a passage in his *Fable of the Bees* in which a sow attacks a child that provokes “pure, unadulterated feelings of pity in any human being”²². His purpose, in accordance with his argument that virtues are nothing but the manifestations of various passions, was to demonstrate that the virtue of charity is often counterfeited by the passion of pity. However, by acknowledging that pure pity is possible, he proved that an entirely disinterested feeling can exist in men.

Smith makes his own use of this reference²³ and begins his *Theory of Moral Sentiments* with a similar argument: “how selfish soever man may be supposed, there are evidently some principles in his nature, which interest him in the fortune of others, and render their happiness necessary to him, though he derives nothing from it except the pleasure of seeing it. Of this kind is pity or compassion...”²⁴. He

20 Berry is not in agreement with this distinction. He also criticizes the common association between Smith and the neo-Stoicism. See Berry, C. (2004), p. 456.

21 Force, P. (2006), p. 49.

22 Mandeville, B. de (1988), p. 255.

23 Bert Kerkhof sees this connection in Kerkhof, B. (1995).

24 TMS I.i.1.1, p. II.

considers pity as an empirical illustration of the psychological phenomenon that he defines as sympathy²⁵.

Rousseau had made an explicit reference to the same passage in *Discourse on the Origin of Inequality*²⁶ published four years before *The Theory of Moral Sentiments*. There, he also concludes, by an *ad hominem* argument²⁷, that pity cannot be derived from self-interest. That gives Rousseau a strong argument: if Mandeville himself, the most excessive detractor of human virtues, admits pity; that is enough proof of the existence of other principles besides self-interest²⁸. In order to refuse the selfish hypothesis, both thinkers used this principle as a cornerstone in their systems: Rousseau in the form of pity (*pitié*), and Smith of sympathy²⁹. Moreover, Rousseau introduces the term *identification* to refute La Rochefoucauld's analysis of pity, which is the equivalent of Smith's sympathy.

Rousseau considers pity as a pre-rational faculty, made weaker by human reason. He integrates two antagonistic principles in human nature by a differentiation between the man in state of nature

25 See also Lázaro Cantero, R. (2002), p. 137. "Sympathy is that principle of human nature by which each man is interested in luck and happiness of other people".

26 Rousseau, J.J. (1972), p. 68.

27 That is to say, to refute someone in his own terms.

28 The reference to Mandeville's analysis of pity is key, because it provides Rousseau with a first principle. Rousseau's analysis is a reconstruction of Mandeville's anthropology based on pity, not self love.

29 "Smith adds that Rousseau has performed some sort of magic by transforming Mandeville's *licentious* doctrine into a system that seems *to have all the purity and key of the morals of Plato*". Force, P. (2006), p. 34. "In March 1756, in his [Smith's] review of Rousseau's Second Discourse, Smith hailed Rousseau as the most important and original French philosopher since Descartes, and presented him as the worthy continuator of a philosophical tradition that used to thrive in England, with authors like Hobbes, Locke, Mandeville, Shaftesbury, Butler, Clarke and Hutcheson".

(which includes the primitive and the savage) and the citizen in modern commercial society. In the state of nature, the capacity of pity was strong –and also the propensity for identification– and reason was undeveloped. In the state of civilization, reason is fully developed, and also the understanding of our interests, that is, self-love; but the capacity for identification is weaker, and therefore it does not result in pity. However, it is more developed in the sense that we have a greater ability to see things through the eyes of others, being an essential component in the development of *amour-propre*, based on our desire to be seen favourably by others. In fact, he conceives self-love from a neo-Stoic point of view, as a moderate and legitimate concern on self preservation, but, in order to differentiate it from the Augustinian-Epicurean concept, he calls it *love of oneself*³⁰. *Self-love*³¹ (*amour-propre*) is the rational understanding of our interests, as opposed to the primitive *love of oneself* (*amour de soi*) or instinct of self-preservation.

A similar argument can be found in *The Theory of Moral Sentiments*. Smith calls the original instinct of human nature *self-love*, making an explicit reference to the Stoics: “according to Zeno, the founder of the Stoical doctrine, every animal was by nature recommended to its own care, and was endowed with the principle of self-love, that it might endeavour to preserve, not only its existence, but all the di-

30 Rousseau, J.J. (1972), p. 147. “Amour-propre and love of oneself, two passions very different in their Nature and their effects, must not be confused. Love of oneself is a natural sentiment which inclines every animal to watch over his own preservation, and which, directed in man by reason and modified by pity, produces humanity and virtue. Amour-propre is only a relative sentiment, artificial and born in Society, which inclines each individual to have a greater esteem for himself than for anyone else, inspires in men all the harm they do one another, and is the true source of honour”.

31 Rousseau, J.J. (1972), p. 70. “Reason engenders amour-propre and reflection fortifies it”. The term reason must be understood in a narrow sense as the ability to compute, compare and reflect.

fferent parts of its nature, in the best and most perfect state of which they were capable”³². Smith distinguishes between virtue and the appearance of virtue, but this difference, far from casting a doubt on the authenticity of human virtues, proves the fact that genuine virtue is within the reach of human efforts.

In *The Wealth of Nations*, Smith attributes the origins of commerce and the division of labour to the “propensity to truck, barter, and exchange one thing for another”³³, a consequence of “the faculties of reason and speech”³⁴ (in close relation to the principle of sympathy). This argument seems to be consistent with the last part of the famous passage on the baker and the butcher: “...and never talk to them of our own necessities but to their advantages”. This is also consistent with the idea of self-love in Rousseau, based in reason and reflection, in conjunction with the concept of identification, which found its equivalent in Smith’s sympathy. Rousseau and Smith agree that, in modern commercial society, the way of obtaining the assistance of others is appealing to their self-interest. That is to say that bettering our condition involves a rational calculation of interests. Self-interest requires an explicit transaction, rational calculation and a social organization that makes the transaction possible, moving away the possibility of a general principle.

In fact, Rousseau’s moral system has two first principles: love of oneself (*amour de soi*) and pity (*pitié*). Smith also takes the selfish hypothesis as the starting point and introduces the principle of

32 TMS VII.i.3.15, p. 321.

33 “This division of labour [...] is the necessary, though very slow and gradual consequence of a certain propensity in human nature which has in view no such extensive utility; the propensity to truck, barter and exchange one thing for another”. WN I.ii.1, p. 25.

34 WN I.ii.2, p. 25.

35 TMS II.ii.2, p. 96. There is here an explicit connection with Stoic doctrine.

sympathy, which does not replace *self-love*. For him “every man is, no doubt, by nature, first and principally recommended to his own care”³⁵ and that is the reason why he “was endowed with the principle of *self-love*”³⁶. There are strong axiomatic similarities between the system Smith develops in *The Theory of Moral Sentiments* and the one Rousseau proposes in his *Second Discourse*. Smith’s system has two first principles indeed: *self-love* and *sympathy*. The former is similar to Rousseau’s *amour de soi*, the instinct for self-preservation and immediate gratification, neither vicious nor virtuous. At the same time, Rousseau’s *amour-propre* finds his equivalent in the concept of *vanity*, a relative feeling. People driven by vanity, more than goods and advantages, look for praise and approbation from others³⁷.

In *The Wealth of Nations*, *self-love* and *sympathy* manifest themselves as the “passion for present enjoyment”, and “the desire of bettering our condition” which implies that gratification must be postponed³⁸. The passion for present enjoyment, the same as self-love, is dominant in the early stages of society, while the legal and economical system of commercial society promotes vanity between men, and consequently, the raise of the fortune. In order to obtain the respect of others, we must accumulate material goods. But, at the same time, in order to satisfy our material needs, we must seek the assis-

36 See quote 29.

37 “To be observed, to be attended to, to be taken notice of with sympathy, complacency, and approbation, are all the advantages which we can propose to derive from it. It is the vanity, not the ease, or the pleasure, which interests us”. TMS I.iii.2, p. 61.

38 “With regard to profusion, the principle, which prompts to expense, is the passion for present enjoyment [...] But the principle which prompts to save, is the desire to bettering our condition, a desire which, though generally calm and dispassionate, comes with us from the womb, and never leaves us till we go to the grave”. WN II.iii, p. 341.

tance of others. And the only way of obtaining this is through persuasion, that is to say, appealing to their self-love. As a consequence, the driving principle is not self-love but sympathy and the desire for sympathy; self-love is, once again, a tool for persuasion³⁹.

Smith does not investigate about the cause of sympathy, he assumes it empirically, stressing that it is an original sentiment of human nature⁴⁰, that “it is often excited so directly and immediately that it cannot reasonably be derived from self-interested affection, that is, from self-love”⁴¹. To explain this kind of identification, he turns to the mental activity of the imagination⁴², and he introduces the concept of impartial spectator –a kind of moderator of self-love– in order not to fall into subjectivism⁴³.

39 In this context should be interpreted the famous passage of the butcher and the brewer, which ends: “and never talk to them of our necessities but of their advantages”. Myers highlights that “in his *Lectures on Justice, Police, Revenue and Arms*, Smith asserts that the *real foundation* of the desire to trade is that principle to persuade which so much prevails in human nature [...] man is at heart a persuader, an inducer, who finds trade a necessary and convenient vehicle for exercising his propensity”. See Myers, M. (1983), p. 113.

40 See Myers, M. (1983), p. 107. “Smith feels that his explanation of moral decisions, as based upon the principle of sympathy, is superior to other moral systems because it is *not concerning a matter of right... but concerning a matter of fact*. He sees his system to be based upon the facts as they exist for the *weak and imperfect creature* which man actually is, not for superior beings who could arrive at similar results through the use of reason”.

41 Copleston, F. (1964), p. 356.

42 “As we have no immediate experience of what other men feel, we can form no idea of the manner in which they are affected, but by conceiving what we ourselves should feel in the like situation [...] by the imagination we place ourselves in his situation”. TMS I.i.1, p. II.

43 “Though it may be true, therefore, that every individual, in his own breast, naturally prefers himself to all mankind, [...] If he would act so as that the impartial spectator may enter into the principles of his conduct, which is what of all things he has the greatest desire to do, he must, upon this, as upon all other occasions, humble the arrogance of his self-love, and bring it down to something which other men can go along with”. TMS II.ii.2, p. 97.

260 Underneath the logic that a virtuous action can result from self-interest, there is another Stoic reference. Smith believes that selfish impulses play a fundamental role in the natural order as well as the social order. For him, the stability of society is not a consequence of human rational design, but the consequence of the *wisdom of God*. He makes an explicit comparison between the order of society and the “economy of nature”⁴⁴. Nature, in order to achieve its favourite ends, has endowed creatures with an appetite for them and for the means by which they can be brought about⁴⁵. For Smith, a full understanding of this convergence between nature and reason is the supreme task of the philosopher, who seeks to discern God’s wisdom in all natural social phenomena. This is the traditional sense of the word *economy*: the relationship between the whole and the parts. Smith offers an economic solution to the traditional political problem of the individual interest and the public welfare, remarking the fact that these ideas, far from being contradictory, are complementary.

When Smith talks about the *economy of nature*, he is referring to a kind of providence that is known as “invisible hand”, a common term used in English and French literature of the early Modernity⁴⁶. Charles Bonnet, whom Smith met when he stayed in Geneva in 1765, explained that what looks to us as rational behaviour, in ani-

44 TMS II.i.5.10, p. 196.

45 For instance, being one of the favourite ends of nature the propagation of the species, our efforts at self-preservation are primarily a consequence of instinctive forces like hunger, thirst, the passion which unites the two sexes, the love of pleasure and the dread of pain. These forces prompt us 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 by them.

46 It appears in thinkers like Daniel Defoe, Nicolas Lenglet Dufresnoy, Charles Rollin, Jean-Baptiste Robinet, Charles Bonnet and others. See Force, P. (2006), p. 72.

mals is directed by an “invisible hand”⁴⁷. Smith’s reflections on the economy of nature are very close to Bonnet’s neo-Stoic providentialism. They both share the belief that there is a convergence between natural ends and rational designs, and they also describe instinctual behaviour as if it were rational. The nature’s power is often greater than the rational attempts to interfere with its course, and because self-interest is a natural impulse, it is the safest way to assure the natural harmony of the Universe.

Smith follows Shaftesbury and Butler in the convergence between the effects of benevolent motives and the effect of selfish motives. The social order can proceed from love, from gratitude, from friendship, and esteem; and it can also be derived from self-interest⁴⁸. The main difference between Smith’s neo-Stoic approach and the Epicurean-Augustinian one is that the former emphasizes the social harmony, while the latest stresses the confrontation between men.

In *The Role of Providence in the Social Order*, Viner relates Smith’s invisible hand to a form of optimistic providentialism, which became predominant in the eighteenth century, and which was not shared by the followers of the Augustinian tradition (Calvinists like Bayle or Mandeville, Jansenists like Nicole -or sympathisers like Pascal-), because they had a pessimistic vision of the fallen men⁴⁹. Smith’s neo-Stoicism is optimistic only in a technical sense: Providence works to optimize the outcome of the social exchange⁵⁰. The unspoken issue that lies behind the reception of the interest doctrine is the original sin, and the dividing line is between two con-

47 Bonnet, C. (1764), *Contemplation de la nature*, Amsterdam. Quoted in Force P. (2006), p. 73.

48 Force, P. (2006), p. 82.

49 Viner, J. (1972), p. 26.

50 See Myers, M. (1983), p. 130 and Force, P. (2006), p. 87.

ceptions of Providence: one that adheres to the original-sin doctrine, and considers that self-love is an evil that should be put to good use by providential action (Augustinian), and one that, in the contrary, finds self-love as a benign sentiment at the service of nature's ends (Neo-Stoic).

Smith constructs his moral philosophy on a refutation of the Epicurean-Augustinian concept of self-love because he sees this position as a dangerous threat to virtue. For the Epicureans, the ultimate end is pleasure; for the Augustinians, is God. For Smith, the ultimate end is to live a good life according to nature, meaning rationally or consistently. What matters is not the outcome but the harmonious relationship between the means and the ends, that is to say, the *economy*. And because the modern economy is a well-ordered and harmonious system, striving to become rich is the proper thing to do. The passions of the rich and the powerful are nothing but their interests, and as such they constitute the engine of wealth creation. Moral and political equilibrium is a consequence of the natural harmony between individual passions and the welfare of society as a whole.

As Hirschman points out, Smith reduces passions to interests in *The Wealth of Nations* because, in *The Theory of Moral Sentiments*, he has already described the purpose of human life as bettering our condition. The desire to become rich is the overriding passion in modern society⁵¹. But if Smith could assume that human behaviour is generally driven by the pursuit of self-interest, was thanks to Rousseau, who had redefined self-love as a weak passion induced by interest calculations, and moved away from Mandeville conception of self-love as an unpredictable passion.

51 Hirschman, A. (1977), p. 108.

Hirschman asserts “once the idea of interest had appeared, it became a real fad as well as a paradigm (à la Kuhn) and most of human action was suddenly explained by self-interest, sometimes to the point of tautology”⁵². This idea became proverbial at the end of sixteenth century, when it was generally assumed that “as the physical world is ruled by the laws of movement so is the moral universe ruled by laws of interest”⁵³.

The idea of interest, which first appears in the political field⁵⁴, found a greater diffusion in commerce. The belief that self-interest could be a dominant motive of human action offered a realistic base for a feasible social order, since it made human decisions more predictable that when they are driven by passions⁵⁵. However, instead of arguing that interests can usefully be pitted against passions -like most of his contemporaries- Smith seems to erase the distinction between passions and interests⁵⁶, and consider them from a narrow point of view. Passion and interests are no longer seen as a destructive force but a small element in the larger order of the Universe.

52 Hirschman, A. (1977), p. 42.

53 Helvétius, Claude-Adrien (*Essays on the Mind*, 1758) quoted in Hirschman, A. (1977), p. 43.

54 “Reason of State theory” (*Ragione di stato*), initiated by Maquiavelo.

55 Montesquieu, in *Esprit des lois*, “the spirit of commerce brings with it the spirit of frugality, of economy, of moderation, of work, of wisdom, of tranquility, of order, and of regularity”, Montesquieu, C.S. (2002), p. 37. Similar arguments appears in Scottish Enlightenment, such as Sir James Steuart, Adam Ferguson, John Millar y Adam Smith. The most explicit and general position is Steuart’s, who shows a great influence of Montesquieu in his *Inquiry into the Principles of Political Oeconomy*, of 1767, in which he develops the thesis of modern economy as a brake to despotism. This position is known as the “Montesquieu-Steuart Doctrine”.

56 Hirschman, A. (1977), p. III.

In response to the interest doctrine, in his *Treatise of Human Nature*, Hume shows how promises were instituted to distinguish between *interested commerce* and *disinterested commerce*⁵⁷. Instead of trying to make human nature less selfish, he institutes a convention, which signals explicitly that the exchange is a matter of self-interest. For Hume, this is a modern form of commerce, to be distinguished from the older one, which relies on feelings of gratitude in order to make exchange possible. Rather than scrutinizing the human conduct to inquire whether the motives are selfish or generous, he focuses on the form of human relations. The remedy to human selfishness is to establish a conventional space where human relations are explicitly a matter of self-interest. Self-interest is assumed *by convention* as the only motive that promotes transactions.

Rousseau criticizes Hume's position in an idealistic defence of the "old aristocracy". Smith's position is a complex one, because it constitutes an attempt to reconcile the apparently incompatible positions of Hume and Rousseau. He agrees with Rousseau's criticism of commercial society, but he cannot accept the conclusion Rousseau draws from that criticism. For Smith, there are two ways of contributing to the general interest: a deliberative way and an unconscious one, which considers that selfish motives drive individuals to contribute unknowingly to the public good. This way of thinking is characteristic of his neo-Stoic approach as we can see in this passage: "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"⁵⁸.

57 Hume, D. (2002), p. 521.

58 WN IV. i.10, p. 456.

For Smith, the natural effort of every individual to better his own condition, in a context of freedom and security, was a principle so powerful that it could by itself conduct society to prosperity, with independence of the political progress, because “no society can surely be flourishing and happy, of which the far greater part of its members are poor and miserable”⁵⁹. Appealing to self-interest is the way to persuade someone to engage in a transaction. The principle behind the transactions is not self-interest but the propensity to barter and trade, which is based on reason and speech, and the propensity to persuade. Finally, the propensity to persuade is itself based on the principle of sympathy. In commercial society, men are driven by vanity, and the dominant strategy consists in postponing gratification in order to obtain the admiration of others through the accumulation of wealth. In that sense, self-interest is far from being a general explanatory principle.

Smith’s psychological analysis of human behaviour presents an economic solution to a problem which was traditionally political and moral. “[Smith] constructed a material proof that self-interest operating in the real world of production and trade could, indeed, be made to serve the public welfare. In doing this Smith and his philosophical predecessors created a current of optimism that dominated the world of ideas until the end of the eighteenth century. These positive feelings about man, socially and materially, rested on the belief that while man was giving expression to his most natural inner motives, which were inbred in him for his own survival, he was, at the same time, also serving the larger interest of society”⁶⁰. As a consequence, capitalism received a strong and decisive impulse in order to take on a central place in the configuration of contemporary society.

59 WN I. viii. 36, p. 96.

60 Myers, M. (1983), p. 130.

- Berry, Christopher J. (2004), "Smith under Strain", *European Journal of Political Theory*, vol. 3, p. 455-463.
- Copleston, Frederick (1966), *A History of Philosophy. Greece and Rome*. vol. I, Burnes and Oates Ltd, London.
- Copleston, Frederick (1964), *A History of Philosophy. Hobbes to Hume*, vol. V, Burnes and Oates Ltd, London.
- Edgeworth, Francis Ysidro (1881), *Mathematical Psychics. An Essay on the Application of Mathematics to the Moral Sciences*, Kegan Paul, London.
- Emmet, Ross (2009), *Man and Society in Adam Smith's Natural Morality. The Impartial Spectator, the Man of System, and the Invisible Hand*, available at SSRN: <http://ssrn.com/abstract=1410813>.
- Enciso Recio, Luis Miguel (2001), *La Europa del siglo XVIII*, Península, Barcelona.
- Ferrater Mora, José (1994), *Diccionario de Filosofía*, tomo II, Ariel, Barcelona.
- Force, Pierre [2003 (2006)], *Self-interest before Adam Smith: a Genealogy of Economic Science*, Cambridge University Press, Cambridge.
- González Enciso, Agustín (2000), *Valores burgueses y valores aristocráticos en el capitalismo: una reflexión histórica*, Cuadernos Empresa y Humanismo, nº 78, Universidad de Navarra, Pamplona.
- Hirschman, Albert O. (1977), *The passions and the interests. Political arguments for capitalism before its triumph*, Princeton University Press, New Jersey.
- Hume, David (2002), *Tratado de la naturaleza humana*, Tecnos, Madrid.

Kerkhof, Bert (1995), "A Fatal Attraction? Smith's Theory of Moral Sentiments and Mandeville's Fable", *History of Political Thought*, vol. 16, nº 2, pp. 219-233.

Krailsheimer, Alban John (1962), *Studies in Self-Interest. From Descartes to La Bruyér*,. Clarendon Press, Oxford.

La Rochefoucauld, François de (1984), *Máximas y reflexiones diversas*, Akal, Madrid.

Lázaro Cantero, Raquel (2002), *La sociedad comercial en Adam Smith. Método, moral, religión*, EUNSA, Pamplona.

López-Peláez Casellas, Jesús (2004), "The Neo-Stoic Revival in English Literature of the Sixteenth and Seventeenth Centuries: An Approach", *Sederi*, nº 14, pp. 93-115.

Mandeville, Bernard de [1714 (1988)], *The Fable of the Bees*, Liberty Classics, Indianapolis.

Mansbridge, Jane (1990), *Beyond Self-interest*, University of Chicago Press, Chicago.

Martínez-Echevarría, Miguel Alfonso (1983), *Evolución del Pensamiento Económico*, Espasa Calpe, Madrid.

Myers, Milton (1983), *The Soul of Modern Economic Man*, The University of Chicago Press, Chicago.

Montesquieu, Charles de Secondat, barón de (2002), *Del espíritu de las leyes*, Tecnos, Madrid.

Oncken, August (1897), "The Consistency of Adam Smith", *Economic Journal*, vol. 7, nº 27, pp. 443-450.

Rogers, Kelly (1997), *Self-Interest. An Anthology of Philosophical Perspectives*, Routledge, New York and London.

Rousseau, Jean-Jacques (1972), *Discurso sobre el origen de la desigualdad entre los hombres*, Miguel Castellote editor, Madrid.

Sen, Amartya (1987), *On Ethics and Economics*, Blackwell, Oxford.

Viner, Jacob (1972), *The Role of Providence in the Social Order. An Essay in Intellectual History*, Princeton University Press, Princeton.

Winch, Donald (1996), *Riches and Poverty. An Intellectual History of Political Economy in Britain 1750-1834*, Cambridge University Press, Cambridge.