

Adam Smith and the Economy of the Passions

Jan Horst Keppler



Routledge Studies in the History of Economics

Adam Smith and the Economy of the Passions

The fertility of Adam Smith's work stems from a paradoxical structure where the pursuit of economic self-interest and wealth accumulation serve wider social objectives. The incentive for this wealth accumulation comes from a desire for social recognition or 'sympathy' – the need to recognise ourselves in our peers – which is the primary incentive for moderating and transforming our violent and egotistical passions. Adam Smith thus examines in detail the subliminal emotional structure underlying market behaviour.

This new book by Professor Jan Horst Keppler presents an Adam Smith for the twenty-first century, more sceptical, searching and daring than he has ever been portrayed before. Without disputing its benefits, Professor Keppler's original contribution explores the anarchic passions constantly threatening to destroy all social bounds, and how the overarching 'desire for love' and social recognition provides the Smithian individual with the incentive to transform his unsocial passions into a desire for social advancement and economic wealth with the view to gaining the vital approbation of his peers. One of the most striking results of this new reading of Adam Smith is the latter's insistence on the primacy of exchange value over use value. In other words, the quest for wealth is exclusively driven by the value it represents in the eyes of others rather than by any value in individual use.

At a moment of crisis, where the link between 'true' economic values and 'virtual' financial values is more fragile than ever, Adam Smith's work is a profoundly contemporary reminder that in the absence of personal, ethical groundings our economic actions are only grounded in the game of mirrors we play with our peers. This book will be of interest to postgraduate students and researchers in the History of Economics, or indeed any reader with an interest in the psychological foundations of a market economy and its theoretical representations as developed by Adam Smith.

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First published 2010 by Routledge
2 Park Square, Milton Park, Abingdon, Oxon, OX14 4RN

Simultaneously published in the USA and Canada
by Routledge
270 Madison Avenue, New York, NY 10016

*Routledge is an imprint of the Taylor & Francis Group,
an informa business*

This edition published in the Taylor & Francis e-Library, 2010.

To purchase your own copy of this or any of Taylor & Francis or Routledge's
collection of thousands of eBooks please go to www.eBookstore.tandf.co.uk.

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The English version was established by the author on the basis of
the French original, *L'Economie des passions selon Adam Smith: les
noms du père d'Adam* (Editions Kinè, Paris), and reviewed by
Robert Chase, translator

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British Library Cataloguing in Publication Data

A catalogue record for this book is available from the
British Library

Library of Congress Cataloging in Publication Data

Keppler, Jan Horst

[*Economie des passions selon Adam Smith. English*]

Adam Smith and the economy of the passions / by Jan Horst
Keppler; edited by Robert Chase.

p. cm.

Includes bibliographical references and index.

1. Smith, Adam, 1723–1790. 2. Economics–Sociological aspects.

I. Chase, Robert. II. Title.

HB103.S6K4813 2010

330.15'3–dc22 2010001793

ISBN 0-203-84756-3 Master e-book ISBN

ISBN: 978-0-415-56986-6 (hbk)

ISBN: 978-0-203-84756-5 (ebk)

In memory of my father

Contents

1	Introduction: personal ethics and social morality	1
1.1	<i>Reading Adam Smith</i>	1
1.2	<i>An economy of the passions in a double system of coordinates</i>	3
1.3	<i>The horizontal principle: sympathy, exchange and the market</i>	7
1.4	<i>The vertical principle: the impartial spectator</i>	9
1.5	<i>The paradoxical synthesis</i>	12
1.6	<i>The stakes of a well-established problem – the Adam Smith problem</i>	15
2	Sympathy, communication, exchange: the horizontal world	21
2.1	<i>Self-interest in the service of sociability: the world of sympathy</i>	21
2.2	<i>Codification and the reduction of transaction costs: from sympathy to the market</i>	34
3	The vertical world of the impartial spectator	65
3.1	<i>The names of Adam's father: looking for the impartial spectator</i>	65
3.2	<i>The economic passion</i>	95
4	The paradoxical synthesis	122
4.1	<i>'Efficient causes' and 'final causes': the working of the invisible hand</i>	122
4.2	<i>The invisible hand and the 'cunning of reason'</i>	130

5	Conclusion: the ethics of morality	138
	<i>Notes</i>	148
	<i>Bibliography</i>	155
	<i>Index</i>	159