

Pulled Up Short with Stanton Wortham

# Is Adam Smith a friend of social justice?

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**Stanton Wortham** 1:37

Welcome back to Pulled Up Short. We're very excited for this episode to have with us, Ryan Hanley, who is a professor in the Political Science Department at Boston College, and also Father Greg Kalschauer, who is the Dean of the Morrissey College of Arts and Sciences at BC. Thanks to both of you for joining us. And we look forward to hearing what it is you have to say. Ryan, I understand that you're going to talk to us a bit about Adam Smith and his unexpected beliefs about collective good.

**Ryan Hanley** 2:08

That's right. It's an honor and a pleasure to have an opportunity to talk about Smith with you both, to be part of this podcast, and to be talking about Smith at this remarkably interesting political moment that we're living through right now.

**Stanton Wortham** 2:21

Great. So please tell us what it is that you found in Smith that is going to pull us up short.

**Ryan Hanley** 2:32

Relatively early in my academic career, way back when when I was doing my dissertation research, I had the happy experience of discovering (and I think a lot of scholars have this sort of discovery) that the truth belies the stereotype. Adam Smith is a man whose reputation precedes him. He is famous today as one of the founding fathers of the modern science of economics, as well as one of the founding fathers of an ideology that's come to be associated with his name - that of modern capitalism. As a result, people turn to Smith expecting to find certain things that we tend to associate with capitalism today. The truth, though, is that Smith himself is interested in a very different set of questions. The pulled up short moment comes out specifically in the fact that Smith was interested in questions that we associate today, not with capitalism, but on the other end of the political spectrum - certain ideas that we tend to associate today with progressivism, social justice concerns on the left, and especially with the conditions of the least well off among us.

**Stanton Wortham** 3:41

If I understand correctly, you're able to articulate this by looking back in Adam Smith's career and exploring his reaction to Rousseau, who, of course, is someone who was particularly concerned with inequality and some of the moral excesses of capitalism.

**Ryan Hanley** 357

Yes, that's right. Rousseau today remains one of the most important, one of the most vociferous, one of the most powerful critics of the moral and practical dangers of social inequality and wealth inequality. Rousseau codified those observations in his remarkable text of 1754/1755, called *The Discourse on Inequality*, and there, Rousseau powerfully shows the ways in which the modern system of commerce





because to me, it seems like if you just let a market run, some people are going to end up with so little that they can't live a dignified life. Why does he think it's going to work out?

**Ryan Hanley** 15:35

Yeah, it's a great question. So one thing that Smith is operating with is a rejection of one of Rousseau's fundamental assumptions. For Rousseau, the assumption is that the pie is finite. That is to say, any distribution of goods is necessarily zero-sum. If some have more, others necessarily have less. This is Rousseau's point of departure for his economics. Smith wants us to rethink that, to some extent. Smith wants us to think in terms of economic growth- the fact that some have more and get more may, in fact, not mean that others have less, but that others get more as well. One of the ways he brings that out is in fact with his language of the invisible hand.





Yeah, that's agr



Gordon Gekko stands up and says "Greed is good." I think Smith got lumped in with that particular side of things, forgetting that he is this theorist at the same time and always had a virtue of sympathy of conscience and the impartial spectator. The only good news that comes out of all of this is that it keeps people like me in business in trying to set the record straight and tell the real truth, which I think really can speak productively to our current moment.

**Greg Kalscheur** 31:29

Maybe one final question, and this may be asking for historical anachronism, but this whole discussion of Smith and Rousseau has kind of resonance for me with a discussion in Catholic social thought after the fall of communism. So in John Paul II's *Centesimus Annus* in 1991, there's this rhetorical question, "Did capitalism win in the wake of communism?" There's this interestingly complicated answer. There's a way in which free markets or free economies have won, but then he goes on to say this "If by 'capitalism' is meant a system in which freedom in the economic sector is not circumscribed within a strong juridical framework, which places it at the service of human freedom and its totality, and which sees it as a particular aspect of that freedom, the core of which is ethical and religious, then we don't want to say that capitalism has won." Any reaction to that from the context of the Smith-Rousseau debate?

**Ryan Hanley** 32:34

Too wonderful that that's where you chose to end, because I can't wait to teach my course here at BC in the spring where I'll be teaching an undergraduate course on capitalism and socialism. In that course, we'll start with Rousseau, then we'll move to Smith, and then we'll move to Marx, and then we'll move to Hayek. So by then, my hope is that the students will have seen the key voices on both sides of the debate: Rousseau and Marx, of course, on one side, and Smith and Hayek, on the other. But one of the joys of teaching at a Jesuit Catholic University is that we'll end with a segment on Catholic social thought, in which we'll be reading John Paul II most assuredly. But as well, the way that these questions have now been complicated in the 30 years now since *Centesimus Annus* and I'm looking very much forward to working through, among other things, Pope Francis' encyclical, *Fratelli Tutti*, in a serious way, which I really need to do over the break, so I can be ready to teach it this spring to my undergraduates.

But one of the things that I hope that students - and this has been my experience in teaching John Paul II and his encyclical, after reading these works - is that Catholic social thought, likewise works in many ways towards a third way. Clearly, with the experience that he had in Poland and in communist Eastern Europe, the experience of a certain form of socialism was writ large in John Paul II's political conscience, and he recognized its dangers, but he was acutely sensitive to the dangers of capitalism, precisely because of his conception of human personhood, to which you alluded very nicely in that quotation. I think even though Smith was through and through a Protestant and not a Catholic, I think in many ways Smith is playing on that same team. He wants us to think seriously about the anthropology of the person to understand that we are not simply rational utility maximizers, but people deeply concerned to the core of our beings with ethical questions, with questions of dignity,

and indeed with fundamentally religious questions, which I th