

# The Future Hope in Adam Smith's System<sup>1</sup>

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## Abstract

Many of the contemporary global challenges we face involve economics, and theologians serving the contemporary church cannot escape an engagement with economics. This paper explores the place of future hope in economics through an examination of Adam Smith's treatment of the topic. It begins by outlining the eighteenth-century theological background of Smith's work, including Stoicism, the Newtonian tradition of natural theology, and the Calvinism of the Scottish Enlightenment moderates. It argues that the future hope plays an important (and neglected) role in Smith's system. Future rewards and punishments are never invoked in a utilitarian manner; instead judgment and future life operate as a court of appeal where wrongs on this world are righted. The justice of this divine court of appeal is continuous with and reinforces the natural sense of justice we have in this present life. There can be no conflict between the two because, as Smith affirms, the same 'great Director of nature' is at work in both. For Smith the future state also operates as imaginative space where morality can be considered and renegotiated. Moving from the eighteenth to the twenty-first century, some comments are offered on hope and contemporary economics, particularly how they might be brought together again to more fruitfully engage with the global challenges we face.

## Keywords

Adam Smith; eschatology; natural theology; teleology

A deficit of hope and intractable economic difficulties are common threads in some of our most challenging contemporary problems. Climate change is an example where the science is complex but the economics seems even more so, as demonstrated by the

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failure to secure global agreement over an emissions trading scheme at the recent Copenhagen summit. Another example is continuing poverty in Africa despite huge investments of aid by Western governments and non-government organisations (NGOs).<sup>2</sup> This continuing tragedy strikes deeply at our hope for a world where basic needs of all are met, and the economics of development in Africa perplexes even those who have spent a lifetime grappling with the issues.

This essay makes no pretense of offering solutions to such problems. Its aim is more modest—to explore the place of future hope in economics through an examination of Adam Smith’s treatment of the topic. Adam Smith remains important to economists even as the history of economics has moved out of the professional mainstream, so a discussion of hope in Smith provides a bridge for economists to re-engage with theological issues.

## Adam Smith as Theologian

Before examining Adam Smith’s views on the future hope, we need first to establish that there is theology in Smith worth discussing, and secondly to clarify the broad shape of that theology. I will argue, building on recent work,<sup>3</sup> that there are important and under-recognised theological elements in Smith’s system which encompass history, jurisprudence, moral philosophy, and economics.<sup>4</sup>

There must be a presumption of an important theological background to any work of moral philosophy or political economy produced in eighteenth-century Scotland. Examining biographical and textual evidence, as well as the reactions of early readers of Smith’s work, confirms this presumption.

Smith was born in Kirkcaldy in 1723, brought up by his devout Presbyterian mother after the death of his father, and like most of his contemporaries attended church regularly

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- 2 There is extensive literature on climate change and African economic development. Mike Hulme, *Why We Disagree about Climate Change: Understanding Controversy Inaction and Opportunity* (Cambridge: Cambridge University Press, 2009), and Edward Miguel, *Africa’s Turn* (Cambridge, MA: MIT Press, 2009) illustrate the difficulty of sustaining hope on these issues.
  - 3 For example, the volume *Adam Smith as Theologian* (New York: Routledge, 2011), edited by Paul Oslington based on a conference in Edinburgh in 2009 which considered Smith’s theological background and offered contemporary theological readings of his work. Providence and theodicy are major themes of the volume, and Smith’s eschatology was not considered. Previous work includes Anthony Waterman, *Political Economy and Christian Theology since the Enlightenment: Essays in Intellectual History* (London: Palgrave Macmillan, 2004), and Lisa Hill, ‘The Hidden Theology of Adam Smith’, *European Journal for the History of Economic Thought* 8.1 (2001), pp. 1–29.
  - 4 Smith’s major works will be abbreviated *TMS* and *WN*, and page references will be to the standard editions *The Theory of Moral Sentiments*, ed. D. D. Raphael and A. Macfie (Oxford: Oxford University Press, 1975), and *An Inquiry into the Nature and Causes of the Wealth of Nations*, ed. R. S. Campbell, A. S. Skinner and W. B. Todd (Oxford: Oxford University Press, 1976). The importance of considering Smith’s system as a whole is particularly emphasised by Andrew Skinner, *A System of Social Science: Papers Relating to Adam Smith* (Oxford: Clarendon Press, 1996).

throughout his life.<sup>5</sup> His Scotland was dominated by the Presbyterian Kirk in a way that those of us living in contemporary secular societies find difficult to appreciate. The young Smith left Glasgow in 1740 to be a Snell exhibitioner at the University of Oxford, which entailed a commitment to take Anglican orders on his return to Scotland, though like many other exhibitioners he never did. In 1751, when taking up his Chair at the University of Glasgow, Smith signed the Calvinist Westminster Confession of Faith before the Glasgow Presbytery, satisfied the University of his orthodoxy, and took the Oath of Faith.<sup>6</sup> Smith's scrupulousness in other similar matters suggests sincerity of this profession of orthodox Christian faith.

A presumption of theological dimensions is further confirmed by the abundance of theological language in Smith's texts. He regularly refers to 'the Deity', 'the author of nature', 'the great Director of nature', 'lawful superior' etc. There are repeated references to divine design and providence. For instance:

Every part of nature, when attentively surveyed, equally demonstrates the providential care of its Author, and we admire the wisdom and goodness of God even in the weakness and folly of man.<sup>7</sup>

Or

[T]he happiness of mankind, as well as all other rational creatures, seems to have been the original purpose intended by the author of nature, when he brought them into existence... By acting according to the dictates of our moral faculties, we necessarily pursue the most effectual means for promoting the happiness of mankind, and may therefore be said, in some sense, to co-operate with the Deity, and to advance as far as in our power the plan of Providence.<sup>8</sup>

Or:

The idea of that divine Being, whose benevolence and wisdom have, from all eternity, contrived and conducted the immense machine of the universe, so as at all times to produce the greatest possible quantity of happiness, is certainly of all the objects of human contemplation by far the most sublime.<sup>9</sup>

In relation to morality:

[T]he governing principles of human nature, the rules which they prescribe are to be regarded as the commands and laws of the Deity.<sup>10</sup>

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5 I rely here and elsewhere on the standard biography, Ian Simpson Ross, *The Life of Adam Smith* (Oxford: Oxford University Press, 1995).

6 The Westminster Confession of Faith was drawn up in 1646, and subsequently became the standard of doctrine and for the Presbyterian Church of Scotland and many other Reformed churches. The text is available at <http://www.ccel.org/>.

7 Smith, *TMS* II iii 3 2, p. 106.

8 Smith, *TMS* III 57, p. 166.

9 Smith, *TMS* VI ii 3 5, p. 236.

10 Smith, *TMS* III 5 6, p. 165.

Further confirmation is provided by Smith's work being read theologically by his contemporaries, including many of the key figures in the formation of political economy as a discipline in nineteenth-century Britain. For instance Richard Whately, holder of the first chair in economics at a British university, interprets providentially Smith's assertion of unintended positive consequences of self-interested behaviour, commenting: 'Man is, in the same act, doing one thing by choice, for his own benefit, and another, undesignedly, under the care of Providence, for the service of the community'.<sup>11</sup> Whately also placed Smith's *Theory of Moral Sentiments* and *Wealth of Nations* above William Paley's works as natural theology. Thomas Chalmers, who made early theoretical contributions to economics and was one of the most influential nineteenth-century writers on the subject, also took Smith to be suggesting that the transformation of self-interested behaviour into the greatest economic good is providential, writing: 'such a result which at the same time not a single agent in this vast and complicated system of trade contemplates or cares for, each caring only for himself—strongly bespeaks a higher Agent, by whose transcendental wisdom it is, that all is made to conspire so harmoniously, and to terminate so beneficially'.<sup>12</sup> Furthermore 'The whole science of political economy is full of these exquisite adaptations to the wants and comforts of human life, which bespeak the skill of a master-hand, in the adjustment of its laws, and the working of its profoundly constructed mechanism'.<sup>13</sup> Theological readings of Smith abound among the nineteenth-century pioneers of political economy as a discipline, and even more so in popular discussions of political economy.

## Background to Smith's Theology

Much of the recent discussion of the theological language in Adam Smith's works has attributed it to his interest in Stoicism. For instance Raphael and Macfie's introduction to the bicentennial edition of the *Theory of Moral Sentiments* states: 'Stoic philosophy is the primary influence on Smith's ethical thought. It also fundamentally affects his economic theory' and 'Adam Smith's ethics and natural theology are predominantly Stoic'.<sup>14</sup> As evidence they point to the importance of self-preservation in Smith, the importance of self-command as a virtue, Smith's commitment to a harmonious natural order, and his universalism. We know that Stoic ideas were popular among Scottish Enlightenment thinkers searching for a framework to replace a degenerate Aristotelianism, and that Smith read and admired the Stoics in his youth.<sup>15</sup> In Smith's discussion of systems of

11 Richard Whately, *Introductory Lectures on Political Economy* (London: J.W. Parker, 1832), p. 94.

12 Thomas Chalmers, *On the Power, Wisdom and Goodness of God as Manifested in the Adaptation of External Nature to the Moral and Intellectual Constitution of Man* (London: Henry Bohn, 1833), pp. 238–39.

13 Chalmers, *On the Power, Wisdom and Goodness*, p. 240.

14 D. D. Raphael and A. Macfie, Introduction to *TMS* (1975), quotations from p. 5 and p. 10.

15 The relationship between Smith and Aristotle has been considered by Gloria Vivenza, 'Adam Smith and Aristotle', in J. Young (ed.), *Elgar Companion to Adam Smith* (Cheltenham: Elgar, 2009), building on her earlier work *Adam Smith and the Classics: The Classical Heritage in*

philosophy in Part VII of the *Theory of Moral Sentiments* he devotes more space to the Stoics than any other system. However, he also criticises many key Stoic ideas and ultimately concludes ‘The plan and system which Nature has sketched out for our conduct, seems to be altogether different from that of the Stoical philosophy’.<sup>16</sup>

More important in my view than Stoicism for Smith’s theology was the British scientific natural theology of Bacon, Newton, Boyle, Butler and Paley,<sup>17</sup> filtered through the moderate Calvinism of the Scottish Enlightenment.<sup>18</sup> Smith’s youthful essay on the *History of Astronomy* displays a thorough knowledge of Newton’s works, and his admiration is evident in passages such as ‘The superior genius and sagacity of Sir Isaac Newton, therefore, made the most happy, and, we may now say, the greatest and most admirable improvement that was ever made in philosophy’ and ‘His principles, it must be acknowledged, have a degree of firmness and solidity that we should in vain look for in any other system. The most sceptical cannot avoid feeling this’.<sup>19</sup> He modeled his own approach to the natural world on that of Isaac Newton, and Smith’s Newtonianism has been commented on by readers since 1776.<sup>20</sup> In another early essay *History of Ancient Physics* Smith warns of the dangers of philosophers separating nature from God.<sup>21</sup>

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*Adam Smith’s Thought* (Oxford: Oxford University Press, 2001), and by Ryan Hanley, *Adam Smith and the Character of Virtue* (Cambridge: Cambridge University Press, 2009).

16 Smith, *TMS* VII ii I 43, p. 292.

17 The British tradition of scientific natural theology is described by John Hedley Brooke, *Science and Religion: Some Historical Perspectives* (Cambridge: Cambridge University Press, 1991). Connections between Smith and this tradition were noted by Jacob Viner, ‘Adam Smith and Laissez Faire’, *Journal of Political Economy* 35 (1927), pp. 198–232 and *The Role of Providence in the Social Order: An Essay in Intellectual History* (Philadelphia: American Philosophical Society, 1972). More recently Anthony Waterman, *Political Economy and Christian Theology since the Enlightenment: Essays in Intellectual History* (London: Palgrave Macmillan, 2004).

18 Scottish Enlightenment Calvinism is discussed by M. A. Stewart, ‘Religion and Rational Theology’, in A. Broadie (ed.), *Cambridge Companion to the Scottish Enlightenment* (Cambridge: Cambridge University Press, 1991); Richard B. Sher, *Church and University in the Scottish Enlightenment: The Moderate Literati of Edinburgh* (Princeton, NJ: Princeton University Press, 1985) and the introduction to David Fergusson (ed.), *Scottish Philosophical Theology 1700–2000* (Exeter: Imprint Academic, 2007).

19 Smith’s *History of Astronomy*, probably written in the 1740s, saved at Smith’s request when his unpublished papers were burnt just before his death, published posthumously in *Essays on Philosophical Subjects* 1795; now in the Oxford University Press edition of the *Essays* edited by W. P. D. Wightman published in 1980. The quotations are from IV 67, p. 98 and IV 76, pp. 104–105.

20 Smith’s Newtonianism, remarked upon by the first readers of the *Wealth of Nations*, is discussed by Campbell and Skinner in their introduction to *A System of Social Science*, and further by L. Montes, ‘Newton’s Real Influence on Adam Smith and its Context’, *Cambridge Journal of Economics* 32.4 (2008), pp. 555–76. Pownall’s 1776 letter to Adam Smith is reproduced as appendix A in *The Correspondence of Adam Smith*, 2nd edn, ed. E.C. Mossner and Ian Simpson Ross (Oxford: Oxford University Press, 1987).

21 Smith, *History of Ancient Physics*, now published in *Essays on Philosophical Subjects*, para. 10, p. 115.

Smith held the Chair in moral philosophy at the University of Glasgow in the 1750s, and followed the tradition of his predecessors Gershom Carmichael and Frances Hutcheson in lecturing on natural theology. A student John Millar reported that Smith's 'course of lectures...was delivered in four parts. The first contained Natural Theology; in which he considered the proofs of the being and attributes of God, and those principles of the mind on which religion is founded'.<sup>22</sup> These Glasgow lectures were the foundation of Smith's system, with the second part on moral philosophy becoming the *Theory of Moral Sentiments*, and the final part being developed into the *Wealth of Nations*. Unfortunately we do not have manuscript evidence or even student notes which might indicate the content of the natural theology lectures, and the prospect of the lectures on natural theology turning up in a Scottish attic is delicious but unlikely. It is difficult to assess the accuracy of the anecdote of John Ramsay (who did not attend the lectures) that Smith's 'speculations upon natural religion, though not extended to any great length, were no less flattering to human pride than that of Hutcheson. From both the one and the other presumptuous striplings took upon themselves to draw an unwarranted conclusion—namely, that the great truths of theology, together with the duties which man owes of God and his neighbours, may be discovered by the light of nature without any special revelation'.<sup>23</sup> If anything it supports the picture of Smith as natural theologian. The quotations above and other similar natural theological language in Smith's published work may be our most reliable guide to the contents of his natural theology lectures. It is unlikely that Smith would have provided demonstrative proofs of God's existence, for elsewhere Smith is reluctant to ground anything in reason, a reluctance he shared with his friend Hume. My best guess about the content of Smith's natural theology lectures would be a mixture of Newtonian natural theology and his predecessor's lectures, consistent with Smith's known admiration for Newton's scientific approach and his concern to avoid unnecessary theological controversy.

Discussing Smith as natural theologian raises the question of deism,<sup>24</sup> that difficult to define eighteenth-century term of abuse. Most definitions of deism would include rejection of divine revelation, miracles, and continuing divine activity. It is possible of course to engage in natural theology without rejecting scriptural revelation. For instance a fellow Scot Thomas Chalmers, who nobody could accuse of being a deist, wrote one of the famous Bridgewater treatises, arguing that the revealed doctrine of creation warranted, even required, natural theology.<sup>25</sup> Nor does natural theology preclude belief in continuing divine activity. Newton is a good example of a natural theologian who made continuing

22 John Millar's report is given in Dugald Stewart's *Account of the Life and Writings of Adam Smith*, published in Smith, *Essays on Philosophical Subjects* 1795; now p. 274 of the Oxford University Press edition edited by Wightman published in 1980.

23 Ross, *Life of Adam Smith*, p. 118.

24 Most accounts of the enlightenment discuss deism, and definitions vary greatly, as do assessments of the relationship between deism and orthodox Christianity. Smith has been regularly accused of being a deist, for instance by Leslie Stephen, *History of English Thought in the Eighteenth Century* (London: Smith & Co, 1876), and recent writers such as Gavin Kennedy, *Adam Smith: A Moral Philosopher and his Political Economy*, 2nd edn (London: Palgrave Macmillan, 2010).

25 Chalmers, *On the Power, Wisdom and Goodness*.

divine regulation of the universe part of his system.<sup>26</sup> We thus cannot hastily label Smith as a deist based on the natural theological features of his work that have been identified.

The Calvinist background to the theological language of Adam Smith's works has been neglected,<sup>27</sup> strangely for a writer who lived in eighteenth-century Scotland dominated by the Presbyterian Kirk. Smith may or may not have been personally committed to Calvinist doctrine, but the argument here is that the Calvinist background shaped his understanding of the future hope and provided language and boundaries of acceptable discussion of these matters. As Richard Sher says of the moderate literati of enlightenment Edinburgh 'their values and beliefs cannot be fully understood outside the context of eighteenth-century Scottish Presbyterianism'.<sup>28</sup> It is an argument about intellectual influence rather than Smith's personal faith.

Smith fits almost perfectly the picture of moderate Scottish Enlightenment Calvinism sketched by David Fergusson<sup>29</sup>:

The role of God as creator and sustainer of the world is emphasised. The signs of the divine presence are evident in the natural world; in this respect, the design argument is widely assumed to be valid. The beneficial role of religion in civil society is stressed. Religion contributes to social order and harmony. When purged of irrational fanaticism and intolerance, faith exercises a cohesive function through the moral direction and focus it offers human life. As benevolent and wise, God has ordered the world so that its moral and scientific laws contribute to human welfare. The prospect of an eschatological state in which virtue and felicity coincide, moreover, provides further moral motivation.

Smith's work is full of examples of these points, and the last will be the focus of this essay.

A measure of Smith's Calvinism is the *Westminster Confession of Faith*, the normative statement for Scottish Presbyterians, which Smith signed to take up his Glasgow Chair, as did all Scottish professors at the time. The opening sentence states that 'the light of nature, and the works of creation and providence, do so far manifest the goodness, wisdom, and power of God, as to leave men inexcusable', quoting Scripture (Romans and Psalms) in support. There is the important caveat 'that knowledge of God,

26 In Newton's system, for instance, the motion of planets needs regular adjustment by God to maintain stability. The divine hand operating in Newton's system may be behind Smith's own invisible hand metaphor, as suggested in Paul Oslington, 'Divine Action, Providence and Adam Smith's Invisible Hand,' in idem (ed.), *Adam Smith as Theologian* (London: Routledge, 2011), pp. 61–76.

27 One of the rare treatments is Joe Blosser who compares Calvin and Smith's conceptions of Christian freedom in 'Christian Freedom in Political Economy: The Legacy of John Calvin in the Thought of Adam Smith', in Oslington (ed.), *Adam Smith as Theologian* (London: Routledge, 2011), pp. 46–60. Smith's commitment to a 'theology of the divine economy', derived from seventeenth-century Calvinist covenant theology is suggested as an explanation of changes Smith made to the final edition of *TMS* in an idiosyncratic article by Laurence Dickey, 'Historicizing the Adam Smith Problem', *Journal of Modern History* 58.3 (1986), pp. 579–609.

28 Sher, *Church and University in the Scottish Enlightenment*, p. 324.

29 Fergusson, *Scottish Philosophical Theology 1700–2000*, p. 5.



and of His will, which is necessary unto salvation' cannot come from nature, reflecting the Calvinist emphasis on how our sensory and moral capacities are limited and twisted by the Fall.<sup>30</sup>

Smith takes up this Calvinist theme of the Fall, writing of 'irregularity in the human breast' just before the previously cited passage about how 'we may admire the wisdom and goodness of God even in the weakness and folly of man'.<sup>31</sup> Elsewhere the vices and follies of mankind are seen as a necessary part of the plan of the universe.<sup>32</sup> Ignorance of 'all the connexions and dependencies of things' conditions human action, though we can be comforted by the thought that the 'benevolent and all-wise Being can admit into the system of his government, no partial evil which is not necessary for the universal good'.<sup>33</sup>

Another Calvinist theme which Smith takes up is the need for rigorous self-scrutiny. Following from our limited knowledge and our capacity for self-deception is a need to scrutinise carefully our behaviour, and to supplement our observational and reflective capabilities with the observations and reflections of others in our community. Ian Simpson Ross has suggested this Calvinist theme is behind Smith's spectator mechanisms of moral judgement, one of his major philosophical contributions.<sup>34</sup>

The most relevant part of the *Westminster Confession* for this essay is the final chapter 'Of the Last Judgment' which states:

God has appointed a day, wherein He will judge the world, in righteousness, by Jesus Christ, to whom all power and judgment is given of the Father... The end of God's appointing this day is for the manifestation of the glory of His mercy, in the eternal salvation of the elect; and of His justice, in the damnation of the reprobate, who are wicked and disobedient. For then shall the righteous go into everlasting life, and receive that fullness of joy and refreshing, which shall come from the presence of the Lord; but the wicked who know not God, and obey not the Gospel of Jesus Christ, shall be cast into eternal torments, and be punished with everlasting destruction from the presence of the Lord, and from the glory of His power.

A comment is added about the timing of the judgment: 'both to deter all men from sin; and for the greater consolation of the godly in their adversity: so will He have that day unknown to men, that they may shake off all carnal security, and be always watchful, because they know not at what hour the Lord will come'.<sup>35</sup>

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30 The Scriptural warrant for natural theology is discussed by James Barr, *Biblical Faith and Natural Theology* (Oxford: Clarendon Press, 1993), and natural theology in the Calvinist tradition by Paul Helm, *John Calvin's Ideas* (Oxford: Oxford University Press, 2004), ch. 8, and Susan Schreiner, *The Theater of his Glory: Nature and the Natural Order in the Thought of John Calvin* (Durham, NC: Labyrinth Press, 1991).

31 Smith, *TMS* II iii 3 2, p. 105, and also VI iii 3 1, p. 253 where Smith again suggests we may admire 'the wisdom of God even in the weakness and folly of man'.

32 Smith, *TMS* I ii 3 4, p. 36.

33 Smith, *TMS* VI ii 3, p. 235. This raises questions about Smith's theodicy, which are outside the scope of this essay.

34 Ross, *Life of Adam Smith*, p. 165.

35 Philip Almond, *Heaven and Hell in Enlightenment England* (Cambridge: Cambridge University Press, 1994) is a valuable discussion of ideas about the afterlife among English writers of this period. Paul Helm's *The Last Things: Death, Judgment, Heaven, Hell* (Edinburgh: Banner



## The Future Hope, Nature and Justice in Smith's Writings

Smith strongly affirms the afterlife, and everything he writes on the subject remains within the bounds of orthodoxy defined by the *Westminster Confession of Faith*. He develops ideas about afterlife from his natural theological and moderate Calvinist backgrounds which serve his system of ethics and political economy. He particularly emphasises justice in the life to come and the naturalness of belief in the afterlife alongside the scriptural warrant.<sup>36</sup>

One of the many passages dealing with the afterlife illustrates this emphasis:

Our happiness in this life is thus, upon many occasions, dependent upon the humble hope and expectation of a life to come: a hope and expectation deeply rooted in human nature; which can alone support its lofty ideas of its own dignity; can alone illumine the dreary prospect of its continually approaching mortality, and maintain its cheerfulness under all the heaviest calamities to which, from the disorders of this life, it may sometimes be exposed. That there is a world to come, where exact justice will be done to every man... is a doctrine, in every respect so venerable, so comfortable to the weakness, so flattering to the grandeur of human nature, that the virtuous man who has the misfortune to doubt it, cannot possibly avoid wishing most earnestly and anxiously to believe it.<sup>37</sup>

The necessity of a naturally formed sense of justice leading us to a future hope comes out in another passage where Smith discusses the famous case of the Frenchman Calas who was broken on the wheel and burnt for the supposed murder of his son to prevent his

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of Truth, 1989), and *The Providence of God* (Illinois: InterVarsity Press, 1994) discuss these matters more fully from a Calvinist perspective.

36 A passage which some see as evidence of Smith straying from orthodoxy is one that he modified through different editions of the *Theory of Moral Sentiments*. The final version is 'Nature teaches us to hope, and religion, we suppose, authorises us to expect, that it will be punished, even in a life to come... [I]n every religion, and in every superstition that the world has ever beheld, accordingly, there has been a Tartarus as well as an Elysium; a place provided for the punishment of the wicked, as well as one for the reward of the just'. Smith, *TMS* II ii 3 12, p. 91. Earlier versions included an exposition of the orthodox Christian doctrine of the atonement. Details of the changes are discussed by the editors Raphael and Macfie in footnotes and their appendix II to the standard Oxford University Press edition. It is commonly thought that the changes weaken the passage, but they may also be taken to generalise and naturalise belief in the afterlife, especially as some of the deleted theological material found its way into other passages added by Smith to this final edition. The most likely explanation of the changes remains a desire to avoid unnecessary controversy over the doctrine of the atonement.

If nature teaches largely by analogy then Smith is departing from Hume's position that such analogies are philosophically illegitimate, or at least suggesting that the fact that we learn about the afterlife by analogy is more important than a philosophical argument about the legitimacy of analogy. In keeping the reference to the afterlife fairly general Smith avoids buying into controversies such as mortalism, the dispute between upholders of the traditional view that the soul is immortal, and others such as Hobbes in England and Hume in Scotland, who held that the soul is mortal though God can grant eternal life.

37 Smith, *TMS* III 2 34, p. 132.

conversion to Catholicism, then posthumously declared innocent after a campaign led by Voltaire. Smith wrote:

To persons in such unfortunate circumstances, that humble philosophy which confines its views to this life, can afford, perhaps, but little consolation. Every thing that could render either life or death respectable is taken from them. They are condemned to death and to everlasting infamy. Religion can alone afford them any effectual comfort. She alone can tell them, that it is of little importance what man may think of their conduct, while the all-seeing Judge of the world approves of it. She alone can present to them the view of another world; a world of more candour, humanity, and justice, than the present; where their innocence is in due time to be declared, and their virtue to be finally rewarded: and the same great principle which can alone strike terror into triumphant vice, affords the only effectual consolation to disgraced and insulted innocence.<sup>38</sup>

In a similar vein Smith writes:

When we thus despair of finding any force upon earth which can check the triumph of injustice, we naturally appeal to heaven, and hope, that the great Author of our nature will himself execute hereafter, what all the principles which he has given us for the direction of our conduct, prompt us to attempt even here; that he will complete the plan which he himself has thus taught us to begin; and will, in a life to come, render to every one according to the works which he has performed in this world. And thus we are led to the belief of a future state, not only by the weaknesses, by the hopes and fears of human nature, but by the noblest and best principles which belong to it, by the love of virtue, and by the abhorrence of vice and injustice.<sup>39</sup>

The afterlife is particularly important in Smith's system because of his (perhaps Calvinist) emphasis on the imperfections of the administration of justice in this present life. Even if correct judgments are made by those whose moral and intellectual capacities have been damaged by the Fall, rewards and punishments in this life fall short of what justice demands. It matters greatly to Smith that there is another place where justice will eventually be done, for in both the *Theory of Moral Sentiments* and the *Wealth of Nations* he sees justice is necessary to the proper functioning of economic systems. For instance: 'society cannot subsist unless the laws of justice are tolerably observed'. It is justice rather than benevolence which is necessary:

If there is any society among robbers and murderers, they must at least, according to the trite observation, abstain from robbing and murdering one another. Beneficence, therefore, is less essential to the existence of society than justice. Society may subsist, though not in the most comfortable state, without beneficence; but the prevalence of injustice must utterly destroy it... justice...is the main pillar that upholds the whole edifice.<sup>40</sup>

38 Smith, *TMS* III 2 11-12, pp. 120-21. The Calas case is discussed in Ross, *Life of Adam Smith*, p. 201.

39 Smith, *TMS* III 5 10, p. 169.

40 Smith, *TMS* II ii 3 6, p. 87 and *TMS* II ii 3 3, p. 86.

If justice is necessary for the maintenance of society, and the afterlife sustains our sense of justice, then the afterlife has an important role in Smith's system. As he suggests, we can even admire divine providence at work as this sense of justice arises within us.

Overall, for Smith, judgment and future hope operate as a court of appeal where wrongs of this world are righted and persons receive their just deserts. The justice of the divine court of appeal is continuous with and reinforces the natural sense of justice we have in this present life. There is no conflict between the two because for Smith the 'great Director of nature' is providentially at work in both.

## The Future Hope as an Imaginative Space

One of the themes of recent Smith scholarship has been the importance of the imagination in Smith's account of scientific progress, and in Smith's spectator mechanisms of morality.<sup>41</sup> For Smith the future state also operates as an imaginative space where morality can be negotiated under the gaze of the author of nature.

He uses passages about the future state to recommend an active life which bears practical fruit, as against the quiet monkish life recommended by some of his religious contemporaries. The best example is Smith's vigorous objection to the elevation of monkish virtues by Massillon, the French Catholic Bishop of Clermont. Smith writes:

To compare, in this manner, the futile mortifications of a monastery, to the ennobling hardships and hazards of war; to suppose that one day, or one hour, employed in the former should, in the eye of the great Judge of the world, have more merit than a whole life spent honourably in the latter, is surely contrary to all our moral sentiments; to all the principles by which nature has taught us to regulate our contempt or admiration. It is this spirit, however, which, while it has reserved the celestial regions for monks and friars, or for those whose conduct and conversation resembled those of monks and friars, has condemned to the infernal all the heroes, all the statesmen and lawgivers, all the poets and philosophers of former ages; all those who have invented, improved, or excelled in the arts which contribute to the subsistence, to the conveniency, or to the ornament of human life; all the great protectors, instructors, and benefactors of mankind; all those to whom our natural sense of praise-worthiness forces us to ascribe the highest merit and most exalted virtue. Can we wonder that so strange an application of this most respectable doctrine should sometimes have exposed it to contempt and derision; with those at least who had themselves, perhaps, no great taste or turn for the devout and contemplative virtues.<sup>42</sup>

A further example is the famous passage added to the final edition of the *Theory of Moral Sentiments* where Smith writes of the connection between virtue and our sense of the benevolence of God. He writes:

41 For instance Charles L. Griswold, *Adam Smith and the Virtues of Enlightenment* (Cambridge: Cambridge University Press, 1999) and James Otteson, *Adam Smith's Marketplace of Life* (Cambridge: Cambridge University Press, 2002).

42 Smith, *TMS* III 2 35, p. 134. Abuse of French Catholic Bishops played well with the Presbyterian Kirk of Smith's day.

To this universal benevolence,...the very suspicion of a fatherless world, must be the most melancholy of all reflections; from the thought that all the unknown regions of infinite and incomprehensible space may be filled with nothing but endless misery and wretchedness... All the splendour of the highest prosperity can never enlighten the gloom with which so dreadful an idea must necessarily overshadow the imagination.<sup>43</sup>

I take this to be an eloquent statement of the imaginative power of future hope, and of the destructive effects on the imagination of a Godless and thus hopeless future.

## Cosmic Utilitarianism?

Smith's linkage of the future life to happiness, and his emphasis on continuity between the present and future life, might suggest that Smith adheres to a version of eighteenth-century 'cosmic utilitarianism',<sup>44</sup> or even that Smith is a precursor of models in the contemporary economics of religion literature where heavenly and earthly utility are flatly traded off against each other.<sup>45</sup>

While there are utilitarian elements in Smith, especially when he is giving policy advice, and he often comments that behaviour promotes happiness of the individual and the good order of society, his moral philosophy overall cannot be described as utilitarian. Smith strongly criticises utilitarian accounts of justice, and more generally accounts of justice, such as Hume's, which ground it in reason. There is a great distance between Smith and his utilitarian contemporaries Paley and Bentham.<sup>46</sup> No

43 Smith, *TMS* VI ii 3 2, p. 235. Recall that Smith's own father died before his birth.

44 Cosmic utilitarianism is discussed by Anthony Waterman, *Revolution, Economics and Religion: Christian Political Economy 1798–1833* (Cambridge: Cambridge University Press, 1991), and Graham Cole, 'Theological Utilitarianism and the Eclipse of the Theistic Sanction', *Tyndale Bulletin* 42.2 (1991), pp. 226–44. William Paley's *Principles of Moral and Political Philosophy* (London: SPCK, 1785) epitomises this tradition, but even in his work there is nothing like the tradeoff between this-worldly and future rewards that we see in contemporary economics of religion. Instead there is a harmony between creation, providence, and eschatology because they are all expressions of the character of the one God.

45 The economics of religion literature is surveyed by Larry Iannaccone, 'Introduction to the Economics of Religion', *Journal of Economic Literature* 36.3 (1998), pp. 1465–95, which discusses Smith as a precursor of the literature, joking that two hundred years is a long time between first and second publications in the economics of religion. I have modelled tradeoffs between present and afterlife utility in a paper 'Deus Economicus', *Australian e-Journal of Theology* 13 (March 2009), with the defence that it is a playful exercise which highlights some of the tensions between a theological anthropology and the anthropology of contemporary economics.

46 One of the places where Smith criticises utilitarian accounts of justice is *TMS* II ii, pp. 86–92. He departs substantially from Hume's position on justice. In relation to utilitarianism, Ian Simpson Ross concludes that 'Smith is consistently hostile to utility as an explanation of the origin of moral rules, and as a principle to be applied routinely in day-to-day transactions. However, he does apply the criterion of utility' and Ross describes Smith as a 'contemplative utilitarian', *Life of Adam Smith*, p. 167. Jeffrey Young, *Economics as a Moral Science: The Political Economy of Adam Smith* (Cheltenham: Elgar, 1997) argues against a utilitarian

passage in Smith's writings describes such tradeoffs an individual makes between earthly and heavenly utility.

## Teleology?

If there is a continuity between the present and future life, yet Smith resists the utilitarian flattening of moral discourse and rejects tradeoffs between present and future rewards, then what exactly is the relationship? How does the future life continue and complete the present life? Or, to put it another way, what sort of teleology is operating in Smith's system?<sup>47</sup>

Teleology in Smith is perfectly consistent with his theological roots in the British tradition of scientific natural theology and the moderate Calvinism of the Scottish Enlightenment. Teleological elements in Smith, variously understood, have been identified in recent years by scholars such as Gloria Vivenza, Ryan Hanley, Richard Kleer and Deirdre McCloskey,<sup>48</sup> against a number of prominent authors who made Smith part of their larger stories of the banishment of teleology from modern science. For instance Smith was a minor villain in Alasdair MacIntyre's story of the abandonment of teleology in eighteenth-century moral philosophy, and Charles Taylor took Smith as a representative of the providential deism of the seventeenth and eighteenth centuries which lost the idea of God guiding society towards mutual beneficial ends.<sup>49</sup> Knud Haakonssen adopted an intermediate position where teleological explanation in Smith is acknowledged, but inessential to his system, and thus able to be discarded. He writes 'Nothing hinges on

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reading of Smith, as does D. D. Raphael in *The Impartial Spectator* (Oxford: Clarendon Press, 2007) and Geoffrey Sayre-McCord, 'Sentiments and Spectators: Adam Smith's Theory of Moral Judgment', *Adam Smith Review* 5 (2010), pp. 122-44.

- 47 Discussing teleology in relation to economics, which has been intimately associated with utilitarian philosophy since the early nineteenth century, raises some terminological difficulties. In Catholic moral theology contrast is sometimes drawn between deontological and teleological moral philosophies, with utilitarianism classified as teleological. The more usual terminology in contemporary moral philosophy (and among economists) is deontological and consequentialist, with utilitarian theories classified as consequentialist. This reserves the term teleological for the Aristotelian-Thomist tradition of a teleological ethics. See Lisa Sowle Cahill, 'Teleology, Utilitarianism, and Christian Ethics', *Theological Studies* 42.4 (1981), pp. 601-29, or for an economist's perspective, Daniel Hausman and Michael McPherson, *Economic Analysis and Moral Philosophy* (Cambridge: Cambridge University Press, 1996).
- 48 Vivenza and Hanley's work on the relationship between Smith and Aristotle was mentioned in note 15 above. Kleer's arguments for teleology in Smith may be found in his 'Final Causes in Adam Smith's Theory of Moral Sentiments', *Journal of the History of Philosophy* 32.2 (1995), pp. 275-330, and 'The Role of Teleology in Adam Smith's *Wealth of Nations*', *History of Economics Review* 31 (2000), pp. 14-29. Also Deirdre McCloskey, 'Adam Smith, the Last of the Former Virtue Ethicists', *History of Political Economy* 40.1 (2008), pp. 43-71. Ross, *Life of Adam Smith*, p. 340 writes 'His philosophy of social explanation involves final explanations, couched in terms of a purposeful nature or God, and this variety of theism is an integral part of his approach to social phenomena'.
- 49 Alasdair MacIntyre, *After Virtue* (London: Duckworth, 1981), p. 54; Charles Taylor, *A Secular Age* (Cambridge, MA: Harvard University Press, 2007), p. 220.

teleological explanations and thus on a guarantor of a teleological order. I think it is safe to say that whenever a piece of teleology turns up in Smith it is fairly clear where we have to look in order to find a real explanation in terms of what we may broadly call efficient causes'.<sup>50</sup>

In the literature there is some ambiguity over whether teleology means recourse to teleological explanation (in the sense of specifying final causes alongside or instead of efficient causes) or a full-blown Aristotelian-Thomist teleological framework for science and ethics. Economists, including historians of economics, tend to use teleological in the first weaker sense. There has not been much recent writing on economics within an Aristotelian-Thomistic teleological framework. Part of the reason for the disagreement in the literature over teleology in Smith is that scholars like Kleer find teleology in the weaker sense while MacIntyre and Taylor are looking for it in the stronger sense.

Examining Smith's writings, it is clear teleology in the weaker sense is present, though final causes are separated carefully from efficient causes. A key passage is:

In every part of the universe we observe means adjusted with the nicest artifice to the ends which they are intended to produce; and in the mechanism of a plant, or animal body, we admire how everything is contrived for advancing the two great purposes of nature, the support of the individual, and the propagation of the species. But in these, and in all such objects, we still distinguish the efficient from the final cause of their several motions and organizations. The digestion of the food, the circulation of the blood, and the secretion of the several juices which are drawn from it, are operations all of them necessary for the great purposes of animal life. Yet we never endeavour to account for them from those purposes as from their efficient causes, nor imagine that the blood circulates, or that the food digests of its own accord, and with a view or intention to the purposes of circulation or digestion. The wheels of the watch are all admirably adjusted to the end for which it was made, the pointing of the hour. All their various motions conspire in the nicest manner to produce this effect. If they were endowed with a desire and intention to produce it, they could not do it better. Yet we never ascribe any such desire or intention to them, but to the watch-maker, and we know that they are put into motion by a spring, which intends the effect it produces as little as they do. But though, in accounting for the operations of bodies, we never fail to distinguish in this manner the efficient from the final cause, in accounting for those of the mind we are very apt to confound these two different things with one another. When by natural principles we are led to advance those ends, which a refined and enlightened reason would recommend to us, we are very apt to impute to that reason, as to their efficient cause, the sentiments and actions by which we advance those ends, and to imagine that to be the wisdom of man, which in reality is the wisdom of God. Upon a superficial view, this cause seems sufficient to produce the effects which are ascribed to it; and the system of human nature seems to be more simple and agreeable when all its different operations are in this manner deduced from a single principle.<sup>51</sup>

Smith is here insisting on specifying efficient causes, within a larger framework that leaves space for final causes. The discussion of the watch connects with his later discussion of the economic system in the *Wealth of Nations*. There the individual economic actors are

50 Knud Haakonssen, *The Science of a Legislator: The Natural Jurisprudence of David Hume and Adam Smith* (Cambridge: Cambridge University Press, 1981). The quotation is from page 77.

51 Smith, *TMS* II ii 3 6, p. 87.



like parts of the watch, lacking an intention to produce beneficial social ends, an intention which is supplied by the divine designer economic system.

But is there a stronger Aristotelian teleological framework in Smith? Answering this question is complicated by Smith's viscerally negative attitude to the degenerate Aristotelianism of his day, formed especially during his unrewarding years as a Snell scholar at Balliol College Oxford.<sup>52</sup> The negative comments about scholastic Aristotelianism littered thorough his works may have helped commentators latch on to Smith as a turning point in the banishment of teleology from science. However it is notable that there is no direct criticism of Aristotle in the discussion of systems of moral philosophy in the *Theory of Moral Sentiments*. Another complication is that for Smith with his Calvinist roots, teleology tends to be expressed in providentialist language.

If Smith is working within such a larger teleological framework, then a telos needs to be identified. Smith is reasonably consistent about this, though also slightly evasive. In the *History of Ancient Physics* he writes of science progressing to the point where the 'Universe was regarded as a complete machine, as a coherent system, governed by general laws, and directed to general ends, viz. its own preservation and prosperity, and that of all the species that are in it'.<sup>53</sup> In the *Theory of Moral Sentiments* passage cited above, the end is specified as the 'support of the individual and propagation of the species'; elsewhere it is 'happiness of mankind' or the 'happiness and perfection of the species'.<sup>54</sup> In both the *Theory of Moral Sentiments* and *Wealth of Nations* the end is given as 'bettering our condition', without any more specific guidance about its content.<sup>55</sup>

Smith's acknowledgement of the ends of nature and admittedly vague specifications of these ends fits in with an Aristotelian framework, certainly more so than the utilitarian framework which came to dominate economics in the early nineteenth century. The ends have an earthy flavour which is entirely appropriate for a writer observing the beginning of the industrial revolution and seeing the possibilities for better material provision for his Scottish compatriots—of perhaps burying the English epithet that oats were the food of horses and Scotsmen. However, alongside the emphasis on provision of material goods there are passages about how ultimately unfulfilling wealth is, for instance his famous comparison of the happiness of the beggar beside the road with the rich man, and passages about how the baubles and trinkets of wealth are a divine trick played on human beings to drive the economic system.<sup>56</sup> Material wealth, much discussed in the *Wealth of Nations*, is never specified as an ultimate end. It contributes in a complex and indirect manner to ultimate ends like the 'happiness and perfection of the species'.<sup>57</sup>

52 The complexities of relationship between Smith and Aristotelianism are discussed by Ross, *Life of Adam Smith* and Gloria Vivenza, 'Adam Smith and Aristotle', in J. Young (ed.), *The Elgar Companion to Adam Smith* (Cheltenham: Elgar, 2009).

53 Smith, *History of Ancient Physics*, pp. 113-14.

54 *TMS* II ii 3 6, p. 87, *TMS* III 5 7, p. 166 and *TMS* II iii 3 2, p. 105.

55 *TMS* I iii 2 1, p. 50 and *WN* II iii 27, p. 341.

56 See *TMS* IV 1 10, pp. 184-85, but there are other similar passages.

57 There is interesting discussion of the issue by two of the greatest Smith scholars among economists, Alec Macfie and Jacob Viner, preserved in Viner's correspondence held by the Mudd Manuscript Library at Princeton University. Viner wrote on 4 April 1963 about their growing common interest in the theological dimensions of Smith's work. He considered the

Smith's evasiveness about specifying ends comes I think from his Calvinist suspicion of our capacity to know these matters. God works providentially in ways that we cannot fully comprehend, and presumption about these matters is dangerous. In fact Smith suggests that ultimate ends and connections between our actions and these ultimate ends are opaque to human beings for good reasons, leaving our God-given human nature rather than our rational powers to guide us towards beneficent ends. As he writes: 'Nature has directed us to the greater part of these by original and immediate instincts. Hunger, thirst, the passion which unites the two sexes, the love of pleasure, and the dread of pain, 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'.<sup>58</sup>

In Smith's great idea that self-interested action in properly functioning markets generates beneficent economic outcomes we have perhaps the strongest illustration of indirect achievement of ends. Smith disparages those who are 'affected to trade for public good' and instead claims that the trader 'by pursuing his own interest he frequently promotes that of the society more effectually than when he really intends to promote it'.<sup>59</sup> The providential coordination of self-interested action achieves something that humans reflecting on ends and directing their actions towards them cannot.

The aspect of ends within an Aristotelian/Thomistic framework that is the focus of this essay is the future hope, but other aspects such as his account of human nature and his account of virtue also show that Smith is not as far from this older view of science and ethics as most economist commentators assume. Smith's teleological framework provides intellectual space for his account of the future hope.

## The Future Hope in Contemporary Economics

Contemporary economics is a long way from Adam Smith. Alasdair McIntyre and Charles Taylor may have erred in placing Smith on the modern side of the line which divides modern from older teleological approaches to scientific explanation and moral philosophy<sup>60</sup> but contemporary economics definitely has no place for teleology.

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'question of what Smith regarded as the value of economic activity in view of his disparaging remarks about the value to the individual of wealth above a modest level' and speculated, 'The question for Smith, I think, is, what does God want? And his answer, an adequate level of living for as many persons as possible'.

58 *TMS* II I 5 10, p. 77 footnote. This raises questions about Smith's view of the relationship between divine and human agency, and essentially Smith's position is that God works mainly but not exclusively through the constitution of our human nature. Human beings are oriented toward ends which we understand only imperfectly. There is further discussion of Smith's view of divine and human agency, and the doctrine of providence, in Oslington (ed.), *Adam Smith as Theologian*.

59 Smith, *WN* IV ii 9, p. 456.

60 This line runs through the middle of the nineteenth century for Britain, and the early decades of the twentieth century in America, as discussed in Paul Oslington, 'Christianity's Post-Enlightenment Contribution to Economic Thought', in I. Harper and S. Gregg (eds.), *Christian Morality and Market Economics: Theological and Philosophical Perspectives*

It is arguable that banishing teleology (together with any meaningful discussion of eschatology) and narrowing the focus has assisted theoretical and empirical advances in economics over the past 150 years. But this narrowing has also hindered the capacity of economists to engage with really important questions that touch our deepest hopes and sense of justice. Proposals from contemporary economists on issues such as climate change and poverty in Africa seem to lack traction, not because of lack of technical sophistication, nor even economists' favourite explanation—vested interests. There is a flatness about contemporary economics—the future that economists hold out to their fellow humans being is the same as the present, just with larger income and consumption.<sup>61</sup>

Smith had greater success in provoking change, as amply demonstrated by the list of nineteenth-century reforms which invoked his name. One explanation is the position of the *Wealth of Nations* as the first major systemic work of political economy; another is Smith's keen awareness of vested interests in the policy process; yet another is the aspects of his work discussed in this essay. Smith advocates change as part of a movement towards a future where justice is perfected and humanity guided towards beneficent ends. This movement occurs despite, perhaps even because of, the cognitive and moral limitations of fallen human beings. Smith also provides an imaginative space where possibilities can be reconceived.

If contemporary economics is to make discursive space for teleology and hope, does this mean sacrificing the theoretical and empirical advances of the last 250 years since Smith wrote? Such a bargain would be unacceptable for most economists. Instead we need to break the link between scientific economics and the utilitarian philosophical framework that attached itself to the economics profession in early nineteenth-century Britain. There is actually very little contemporary mainstream economics which cannot be untangled from utilitarian moral philosophy. Modern consumer theory, which began with mid-nineteenth-century models of individual utility maximisation, is now expressed in terms of axioms and procedures of choice with no mention of utility. Welfare economics, which in the nineteenth century was essentially the application of the principle of the greatest happiness for the greatest number, has been transformed from the mid-twentieth century into new welfare economics which strives (in my view unsuccessfully and unhelpfully) to be value free. So there is little to be lost scientifically from discarding the utilitarian framework of economics.

Economics needs to be reframed in a way that allows discussion of teleology, and perhaps even in an Aristotelian/Thomistic framework. This is not a proposal for a separatist Christian economics, rather for a change in the way we view and use scientific economics, though any reframing will have consequences for the questions economists ask and the way we go about answering them. Such a reframing will require more attention to history and philosophy of economics than is usual at the moment in the

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(Cheltenham: Edward Elgar, 2008). Pioneering work on the separation was done by Anthony Waterman for Britain, and Brad Bateman for America.

61 Paul Fiddes, in his 2010 keynote address to the Melbourne College of Divinity Centenary Conference, put it well, that there is a 'hopelessness of a future that is an inexorable extension of the present'. Fiddes also deals with this in his published work, *The Promised End: Eschatology in Theology and Literature* (Oxford: Blackwell, 2000).

graduate training of economists, and greater engagement by economists with scholars working in other disciplines, including philosophers and theologians.

Making space for teleology is necessary for a renewed discussion of future hope in contemporary economics. If we are to have this new discussion it is important that Christian hope is specified in a way that is both true to the mainstream theological tradition and meaningful for economists. Smith was scornful, as we have seen, of a future hope that is about ‘celestial regions for monks and friars’, a hope that he felt exposed the doctrine to ‘contempt and derision’.<sup>62</sup> This essay is not the place to mount a full theological argument about continuity between our present world and the renewed world which we will inhabit with our resurrection bodies. Such an argument turns on the inherent immortality of the soul being an illegitimate Platonic import into the Christian tradition, the Scriptural affirmation of the material world, and emphasis of the scriptural passages about our future on renewal; on the destruction of evil rather than the destruction of the world.<sup>63</sup>

As well as being arguably more consistent with the Scriptures such an earthy future hope is likely to be far more appealing to economists and policy makers seeking reform. Under such a vision our practical achievements in providing human material needs continue, our efforts to care for the earth through designing appropriate systems of economic incentives for reducing carbon emissions have lasting value, and so forth. A faraway place of clouds and harps tends to operate as a substitute for earthly work to improve our lot (or in Marx’s language an opiate of the people) while a more earthy future hope complements and calls forth work for the good of all.

Some economists may not be actively opposed to such discussion within professional forums, but may nevertheless ignore it as pointless theological waffle. They want to know what hope means practically. Working this out fully is beyond the scope of this essay, but an example from cost-benefit analysis, perhaps the most widely used public policy evaluation tool, suggests one way it might go.<sup>64</sup> Within cost-benefit analysis a crucial decision is how to compare present and future benefits, and usually future benefits are discounted at some adjusted market rate of interest, on the basis that individuals can invest current dollars at the market interest rate to obtain more future dollars. At any plausible market rate of interest, future benefits beyond about 20 years end up discounted to have negligible value, and thus become irrelevant for public policy decisions. If human beings actually view the future in something like the manner Adam Smith

62 Smith’s response to Bishop Massillon quoted earlier in the essay, from *TMS* III 2 35, p. 134.

63 For instance N. T. Wright, *Surprised by Hope: Rethinking Heaven, the Resurrection, and the Mission of the Church* (New York: HarperOne, 2008), based on earlier scholarly monographs. Other discussions include Joseph Ratzinger, *Eschatology: Death and Eternal Life*, 2nd edn (Washington, DC: Catholic University of America Press, 1988), and Richard Bauckham and Trevor Hart, *Hope against Hope: Christian Eschatology in Contemporary Context* (London: Darton, Longman & Todd, 1999).

64 A standard textbook treatment of cost-benefit analysis is P. R. G. Layard and Stephen Glaister, *Cost-Benefit Analysis*, 2nd edn (Cambridge: Cambridge University Press, 1994). A general discussion of cost-benefit analysis by a Christian ethicist is Harlan Beckley, ‘Christians and Economics’, in Gilbert Meilaender and William Werpehowski (eds.), *The Oxford Handbook of Theological Ethics* (Oxford: Oxford University Press, 2005), pp. 361-80.

suggests (putting aside any theologically grounded view of how they should view the future) then the justification for discounting in the standard manner looks shaky. Future states become the standard of judgment rather than an irrelevancy. Another crucial component of cost-benefit analysis is assessing project risk. The dominant approach is to discount risky costs and benefits on the basis that individuals are risk averse—in the sense that individuals prefer cash flows with a lower expected standard deviation. This dominant approach to risk in cost-benefit analysis has been challenged in recent years by prospect theory, which works from recent findings of experimental psychologists about how individuals actually deal with risk. In a similar way Smith's observations about how human beings deal with ultimate future prospects should influence the way risk is valued in cost-benefit analysis. Any challenge to the methods of valuing time and risk in cost-benefit analysis is important because these are the most hotly debated topics in cost-benefit analyses of climate-change amelioration policies, and in cost-benefit analyses of development projects in Africa, which were raised in the introduction as issues economists do not currently deal well with. Economic modelling informed by Smith's account of human beings as *homo speratus* as much as J. S. Mill's drearily utilitarian *homo economics* could make a real contribution.

There are some clues that an economics which makes a place for hope will have traction with the general public. One is the reception of Benedict XVI's 2009 encyclical on globalization *Caritas in Veritate* (following the 2007 encyclical on Christian hope *Spe Salvi*) outside the usual Catholic circles, including the front page of the *Wall Street Journal*, extensive coverage in the *Economist*, and many conferences including a session on the encyclical at the most recent American Economic Association annual conference in Denver in January 2011. Another is the panel on hope organised in 2010 by Australia's public broadcaster, ABC, in conjunction with the Sydney Festival which provoked one of the largest responses ABC has had to a programme in recent times, especially to the remarks by the newly appointed Vice Chancellor of the University of Sydney Professor Michael Spence on Christian hope, education and society.

## Appendix: Various Deaths

It is worth reviewing Smith's comments on the deaths of those closest to him and comments on his own impending death, for any reconstruction of Smith's views on the future life from his writings must be consistent with such comments.

Consider his friend David Hume. Hume's philosophical position on the afterlife is set out in his suppressed essay 'On the Immortality of the Soul' and in section XI 'Of a Particular Providence and of a Future State' of the *Enquiry Concerning Human Understanding*.<sup>65</sup> Hume argued that immortality of the soul could not be established philosophically since analogies between the present life and future life are weak, nor can analogies between human justice and divine justice be used to establish the necessity of afterlife rewards and punishments, and that in any case such an understanding of divine justice raises moral difficulties. There can be no doubt that such issues were

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65 These may be found in J. Gaskin (ed.), *Hume's Dialogues and Natural History* (Oxford: Oxford University Press, 1993).

vigorously discussed by Hume and Smith, but even if Hume convinced his friend (and remember that Smith opposed Hume's appointment to a Chair on religious grounds, and that Smith declined to publish his friend's *Dialogues on Natural Religion*) then Hume's arguments do not rule out belief in the afterlife, just its rational demonstration.<sup>66</sup>

Smith's controversial account of David Hume's death began as a letter to the publisher William Strahan and was later appended to Hume's *My Own Life*. Smith wrote: 'Upon the whole, I have always considered him, both in his lifetime and since his death, as approaching as nearly to the idea of a perfectly wise and virtuous man, as perhaps the nature of human frailty will permit'. Smith later remarked that this assessment brought upon him 'ten times more abuse than the very violent attack I had made upon the whole commercial system of Great Britain'. It is perhaps fortunate for Smith that another comment in correspondence did not become public: 'Poor David Hume is dying very fast, but with great cheerfulness and good humour and with more real resignation to the necessary course of things than any whining Christian ever dyed with pretended resignation to the will of God'.<sup>67</sup> What do we make of these comments? Admiration for a friend and agreement with his views are not the same thing. Nor can criticism of the behaviour of certain Christians be interpreted as disagreement with the doctrines of Christianity. Perhaps Smith was provoked in this comment by Boswell who was making a pest of himself in Hume's last days, seeking a deathbed conversion. I believe it not unjustified to conclude from these remarks that Smith rejected the orthodox Christian position on the afterlife.

Another test case is the death of Smith's devout mother Margaret Douglas, who lived with Smith for much of his life. When she died Smith wrote

I had just then come from performing the last duty to my poor old Mother and tho' the death of a person in the ninetieth year of her age was no doubt an event most agreeable to the course of nature; and, therefore, to be foreseen and prepared for; yet I must say to you, what I have said to other people, that the final separation from a person who certainly loved me more than any other person ever did or ever will love me; and whom I certainly loved and respected more than I ever shall either love or respect any other person, I cannot help feeling, even at this hour, as a very heavy stroke upon me.<sup>68</sup>

66 Smith, like his friend Hume, was interested in how such beliefs about the afterlife are formed. In several places Smith sketches an evolutionary view of the emergence of belief in the afterlife, connecting with *Hume's Natural History of Religion*. Among primitive peoples a belief in afterlife rewards and punishments (suggested by analogy from nature) enforces morality, but gradually as society develops, reason and the moral sentiments become more important. For instance: 'This reverence [for rules of conduct] is still further enhanced by an opinion which is first impressed by nature, and afterwards confirmed by reasoning and philosophy, that those important rules of morality are the commands and laws of the Deity, who will finally reward the obedient, and punish the transgressors of their duty' (Smith, *TMS* III 5 3, p. 163). 'First' in this quotation seems to have both a psychological and historical sense.

67 The letters are Smith to William Strahan, 9 November 1776, Smith to Andreas Holt, 26 October 1780, and Smith to Alexander Wedderburn, 14 August 1776. Here and elsewhere the quotations are from *The Correspondence of Adam Smith*, ed. E. C. Mossner and Ian Simpson Ross, 2nd edn (Oxford: Oxford University Press, 1986).

68 Smith to William Strahan, 10 June 1784.



It is hard to know what significance to place on Smith's comment about final separation. Is Smith expressing doubt in the existence of the future life, or doubting his worthiness to follow his mother to a future state of blessing? The latter seems more likely, but again it is difficult to draw definite conclusions about Smith's views.

In relation to Smith's own death, Henry Mackenzie recorded his parting words as 'I love your company, gentleman, but I believe I must leave you to go to another world'. His friend William Hutton gave Smith's biographer Dugald Stewart the following wording 'I believe we must adjourn this meeting to some other place'.<sup>69</sup> Again it is difficult to draw conclusions about Smith's views from such comments.

To summarise, we have no clear evidence of unorthodox views from Smith's comments, nor any strong affirmation of the orthodox Christian view. Expecting such a strong affirmation in brief personal remarks is unreasonable.

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69 Smith's deathbed comments are discussed by Ross, *The Life of Adam Smith*, p. 406. Ross doubts that 'Smith accepted the idea of the future life in any orthodox Christian sense'.