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BOOK REVIEWS

REVIEW OF LEONIDAS MONTES, 2004, ADAM SMITH IN CONTEXT: A CRITICAL REASSESSMENT OF SOME CENTRAL COMPONENTS OF HIS THOUGHT,

Palgrave Macmillan, pp. xii, 186.

ISBN 1-4039-1256-4.

In *Adam Smith in Context: A Critical Reassessment of some Central Components of His Thought* Leonidas Montes' aim is to provide 'a better understanding of the Smithian foundations of Political Economy' (Preface, p. ix) by means of a reconstruction of various philosophical and methodological issues relating to Smith's work. A crucial assumption for Montes is that 'economics and ethics are intertwined' (p. 2), and so most of the book is devoted to reconstructing Smith's moral philosophy in *The Theory of Moral Sentiments* (TMS). After a general introduction in Chapter 1 outlining his interpretative framework, Montes devotes chapters 2 to 4 to issues largely relating to Smith's moral philosophy, and in chapter 5 he moves on to methodological issues relating to Smith's market analysis in the *Wealth of Nations* (WN), Book I, chapter vii.

Montes' interpretative framework reflects the origins of the book as a Cambridge PhD thesis in its attempt to combine the historical contextualism of Quentin Skinner and the critical realism associated with Tony Lawson. Montes argues that intellectual history requires a three-fold study of *what* the author said, *why* he said it and *how* he said it, such that the nature of what is said requires an ontological approach to uncovering reality, and the why and how questions require an understanding of context and text (pp. 3-4). The context that Montes highlights for interpreting Smith is the Scottish Enlightenment; but for TMS this is construed largely in terms of ancient philosophy and the tradition of

civic humanism, and for WN it is construed largely in terms of Newton's scientific method. Montes cites Skinner with approval that we need 'to grasp not merely what people are saying but also what they are *doing in saying it*' (p. 7; original emphasis), but Montes proposes to combine this with an ontological approach that 'keeps sight of reality' (p. 7).

Chapter 2 provides a detailed account of the history of the 'Adam Smith problem' in the reception of Smith's works in Germany and the shaping of the German Historical School, together with an account of recent scholarly debates on the subject. Montes' view is that Smith's TMS and WN form part of a 'system' so that there is no fundamental problem about the relationship between these works. Montes argues that sympathy provides a motive for action, and this leads into an extended discussion in the next two chapters of what he terms the 'moral triad' of propriety, impartial spectator and self-command. In chapter 3 Montes defends Pocock's argument that 'the first chapter in the history of political economy is also a further chapter in the continuing history of civic humanism' (p. 96). Montes argues that Smith's gendered references to *manliness*, *courage*, *valour*, and so on, is indicative of the civic humanist celebration of *vir virtutis*, and that Smith's concept of 'self-command' derives not from stoicism but from the ancient Socratic notion of '*enkrateia*' as transmitted through Aristotelian and civic humanist discourses. In chapter 4 Montes elaborates on this account of self-command

by arguing that Smith's notion of 'propriety' provides an account of motivation for action, and that Smith's moral philosophy falls within the 'deontological' rather than the 'utilitarian' camp, with agency being autonomous and duty-based and the 'individual being an end in itself. In chapter 5 Montes switches gear to discuss the *Wealth of Nations* in terms of methodological issues relating to a history of science approach and the influence of Newton. He argues that Smith's market analysis in Book I, chapter vii, is not a forerunner of Walrasian general equilibrium analysis, and that to interpret it as an example of a mechanistic, atomistic, axiomatic-deductive model in the style of Newton is to misunderstand both Newton and Smith. Smith's methodology is interpreted as a form of 'critical realism' in that Smith's objective was to 'uncover the real structures', the 'nature and causes', underlying moral and social phenomena (pp. 160-1).

As this brief summary indicates, Montes' book covers a broad multidisciplinary canvas and its main lines of argument are stimulating, ambitious and wide-ranging. It extends the field of scholarly debate in a number of areas and it provides numerous insights as well as some interesting critical responses to recent developments in the literature. It thus makes a significant contribution to a growing scholarly literature on Adam Smith.

Montes' interpretation does raise a number of questions, however, regarding his more general philosophical and interpretative aims, as well as his detailed reconstruction of Smith's meaning. Montes aims to provide a better understanding of 'the Smithian foundations of Political Economy' by analysing Smith's moral philosophy, and to this end chapter 4 concludes by citing Amartya Sen that the narrowing of Smith's view of human beings is one of the major deficiencies in modern economic theory (p. 129). But in this case we would expect that a better appreciation of Smith's moral philosophy would help us to start

mending this deficiency in some way – at least by showing how an attention to Smith's moral philosophy can open up a new understanding of Smith's economics in the *Wealth of Nations*. In view of this, the move from chapter 4 to chapter 5 comes as something of an anticlimax. In spite of all his efforts at analysing Smith's moral philosophy, Montes' switch in chapter 5 to interpreting WN in terms of a history of science context actually undercuts his earlier argument that economics and ethics are intertwined. Furthermore applying a critical realist approach to WN seems to deliver small returns. All that the critical realist perspective yields here is the argument that there is a *tendency* of prices to equilibrium in Book I, chapter vii, rather than an actual equilibrium. But even a neoclassical economist could accept the point about 'tendencies' with respect to actual economies, in that 'competitive equilibrium' is a theoretical construct, illustrated by means of the analytic fiction of the auctioneer, and not an actual outcome of any economy. By focussing on Book I, chapter vii (and not taking it in historical context), Montes also reinforces the neoclassical predisposition to single out that one chapter as the analytical core of WN. If Montes really is to challenge the neoclassical appropriation of WN, I would suggest that he needs to analyse the larger economic argument of WN.

It is also not clear to me how the interpretative framework that Montes hopes to apply can deliver what he seeks. Montes wants to apply a realist approach to interpretation that uncovers, for example, 'the real essence of what the text says' (p. 4) and Smith's 'real meaning and intention' (p. 167); but I can't see that Montes considers what such a 'real essence' or a 'real meaning' is, or what kind of evidence might be required to justify the claim that one has found it rather than an imposter. Montes actually proceeds in a conventional manner by interpreting Smith's writings in terms of contexts provided by

modern scholars such as Pocock, Skinner and Lawson, and without explaining how his own interpretation keeps sight of 'reality'. Montes has simply provided us with a different interpretation of Smith's writings; and that's fine! But there is no methodological discussion as to how his own interpretation could qualify as the 'real' thing.

Montes' specific interpretation of Smith's arguments also raises a number of questions. Perhaps I might take just one example. Montes argues that Smith's virtue of 'self-command' isn't related to stoicism but is part of the civic humanist discourse of manly virtue (*vir virtutis*) and corresponds to the ancient Socratic notion of 'enkrateia' (p. 81-3). A difficulty in addressing this sort of interpretative issue is that the influence of ancient Greek and Hellenistic philosophy on western thought is so pervasive that it is a delicate task to differentiate between the general influence and the more specific influences and theoretical engagements that are important for interpreting a particular text. TMS is indeed set within a broader context of the pervasive influence of ancient and Hellenistic philosophy—as well as that of early modern philosophy up to Smith's time! The interpretative challenge is to identify from all this precisely what is of specific relevance for TMS. Montes' suggestion that we return to the ancient sources and re-examine the roots of these terms is, however, a good point and worth taking up.

The Socratic notion of 'self-control' has indeed been immensely influential for western European philosophy and Montes is right to remind us of it. After all, TMS does endorse Plato's account at VII.ii.1.11. Yet there are some problems with Montes' identification of the links relating *enkrateia* and Smith's self-command. One problem, it seems to me, relates to the passage from Plato's *Republic* that he cites. I think Montes mis-translates the term 'enkrateia' in the impor-

tant passage at the *Republic* 430e when he writes that Plato 'defines *sophrosune* as "a kind of beautiful order and a continence [*sophrosune*] of certain pleasures and appetites, as they say, using the phrase "master of himself [*enkrateia*]" (p. 81, citing Paul Shorey's translation in the Loeb edition). I think the sentence from the *Republic* should read as follows: 'Soberness [*sophrosune*] is a kind of beautiful order and a continence [*enkrateia*] of certain pleasures and appetites, as they say, using the phrase "master of himself [*kreitto hautou*]" (Shorey's translation). By mistaking '*enkrateia*' as 'master of himself' (instead of 'continence'), Montes gives Plato a circular definition of *sophrosune*; it is '*kreitto hautou*' (a reflexive expression) that is Plato's term here for his influential notion of 'master of himself', not '*enkrateia*'. It is the case that '*enkrateia*' can be translated as 'self-mastery' ('*enkrateia*' and '*kreitto*' have the same root); but in this important passage from the *Republic* the term translated as 'master of oneself' is '*kreitto hautou*', and this notion is explained by Plato in terms of the rule of reason over the lower parts of the soul and the homology between tripartite soul and state. (I have argued that it is the source of the notion of 'self-government' that played such an important role in the republican tradition; see 'Self-government: the master trope of republican liberty, *The Monist* 2001, 84: 60-76). Thus a notion of '*enkrateia*' as 'self-mastery' in the *Republic* cannot comprise the point of reference for Smith's notion of 'self-command'. Furthermore, whatever Smith's 'self-command' might be, it is definitely *not* based on a Socratic rule of reason within the soul; TMS is anti-rationalistic and there is no suggestion of a multi-part soul in the discussion of self-command. Neither can '*enkrateia*' as '*sophrosune*' be equivalent to Smith's notion of self-command. This is made clear in TMS where Smith refers to Plato's '*sophrosune*' in the *Republic* as 'a word which we commonly translate temperance, but which might more properly be translated good temper, or

sobriety and moderation of mind' (TMS VII.ii.1.8; cf. n. 2), thus showing that it is not the same as self-command. It isn't possible here to go into arguments relating to Smith and stoicism, but if we want to ask why Smith used the term 'self-command' – instead of, say, 'self-control' or 'self-mastery' – it might be worth noting that the stoic rational principle, termed '*hegemonikon*', is often translated as 'commanding-faculty' (cf. Long and Sedley, *The Hellenistic Philosophers*, 1987, vol. 1, p. 489; also p. 383), although this is set within a monistic psychology where reason and nature are one, without any of the soul's divisions that are found in the works of Plato and Aristotle. But of course Smith rejected the stoic equivalence of reason and nature; Smith's engagement with stoicism is not the same as an acceptance of stoicism.

Another problem with Montes' argument concerning self-command relates to the issue of the gendering of the virtues. Montes makes much of the 'manliness' of Smith's virtue of self-command and this too he uses as evidence that it derives from the civic humanist *vir virtutis*. But it seems to me that Montes too readily collapses the issue of gender with that of civic humanism. Ancient and Hellenistic philosophy as a whole is gendered, so it is quite possible for Smith's self-command to be gendered without its being

rooted specifically in civic humanism. In this context it's a pity that Montes doesn't engage with the literature on the question of 'gender' and TMS, as this would have helped him to differentiate the two issues and consider different ways in which TMS has been thought to be gendered. Furthermore, Montes includes the (male) preoccupation with a female *fortuna* as one of the characteristics of the civic humanism that is present in Smith's discourse (pp. 60-1, 76). In TMS, however, it is a female 'Nature' that stands above mere human powers, not a Renaissance 'fortune' desiring to be subdued by heroic males.

Montes' book is an impressive achievement and will no doubt stimulate scholars to address further questions. It also reminds us of the challenges for modern scholars in attempting to inhabit the historical world of authors writing at a time when the implicit conventions of shared knowledge and linguistic competence were so different from what they are today. Most particularly Montes raises the question of the relation between ethics and economics, a question of ancient provenance that is still relevant for economists and historians of economics today.

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**REVIEW OF ROBERT DIMAND AND CHRIS NYLAND (2003)
THE STATUS OF WOMEN IN CLASSICAL ECONOMIC THOUGHT,
Cheltenham, UK: Edward Elgar.**

'Classical political economists gave more attention to the economic and social status of women, and commonly did so with a great deal more insight than is generally recognized', claim Robert Dimand and Chris Nyland in their introduction to the edited volume *The Status of Women in Classical Economic Thought* (2003, Edward Elgar). The book aims

to contradict that the focus of classical economics was limited to the activities of one gender, men. (p. 1) In doing so it provides an interesting and valuable compilation of the work by philosophers, political theorists and classical economists on gender equality from the 17th until late in the 19th century. Some of the articles by Chris Nyland and Evelyn L.