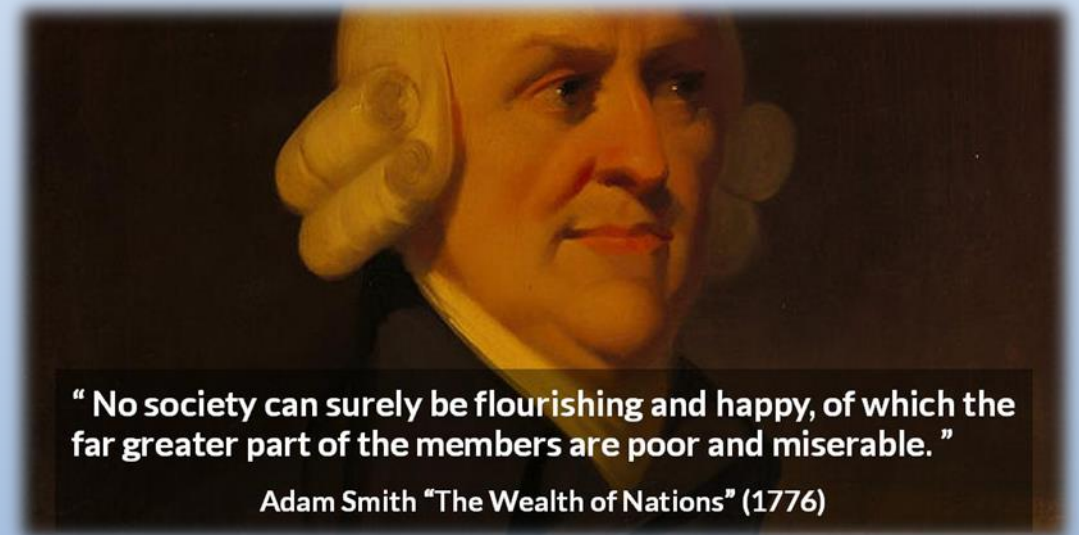


From the Enlightenment to Business Models Season II

Episode 4A

Adam Smith

The Theory of Moral Sentiments



Source: <https://kwize.com/quote/10699>

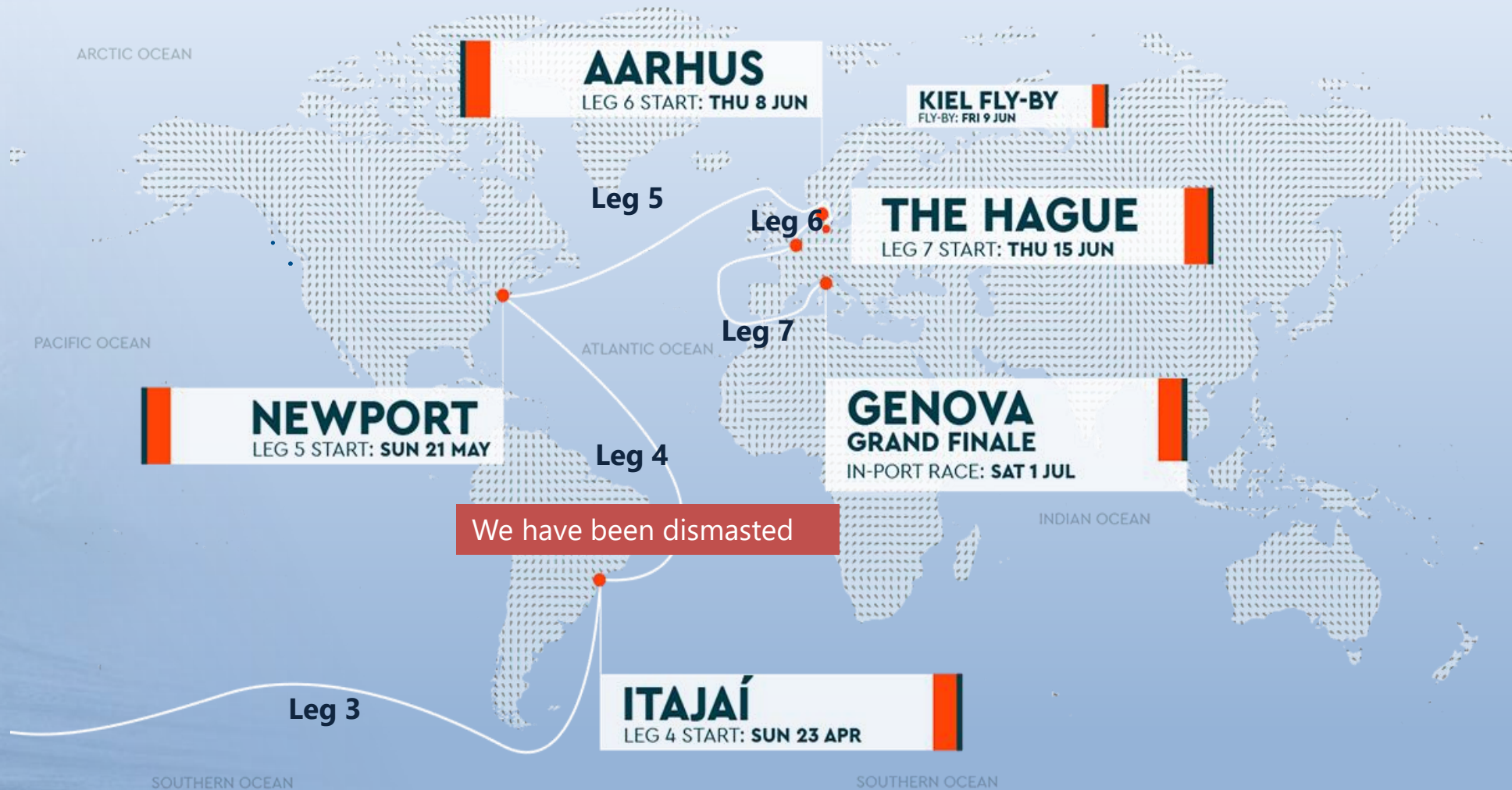


From the Enlightenment to Business Models

Going with the Ocean Race 2022-2023

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Spring/Summer Saga 2023

Our expected trajectory for the next 10 weeks





From the Enlightenment to Business Models

Going with the Ocean Race 2022-2023

Our studied Outline for Season II

Season 2 Spring/Summer Saga 2023

0. *Introduction* 
1. *Spinoza's truth, fallacies and wrongs* 
2. *Kant's Prussian Context* 
3. *Kant's Philosophical Prominence* 
4. *Adam Smith Dichotomy* 
5. *Rousseau's Anti-Philosophes*
6. *Voltaire pro Royalism*
7. *Diderot's Encyclopedia*
8. *When does the Enlightenment take place?*
Reevaluation of the Entire Chronology Map

Season 3 Fall-Winter 2023

9. *The French Revolution*
10. *Different Canons of the Enlightenment Part A*
11. *Different Canons of the Enlightenment Part B*
12. *The Enlightenment and freedom of thought & speech*

Season 3 Fall-Winter 2023

13. *The Enlightenment and Science*
14. *The Enlightenment and Ethics*
15. *The Enlightenment and Toleration*
16. *The Enlightenment and Racial Differences/Slavery*
17. *The Enlightenment and woman*
18. *Why is the enlightenment so important in our days.*
19. *Comparative Analysis Radical-Moderate-Counter Enlightenment*
20. *Research agenda for the next Generation ahead*
21. *Summary and Conclusions.*



From the Enlightenment to Business Models

at the Ocean Strategy Race 2022-2023

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JUNE 2023

Outline per month

SUN	MON	TUES	WED	THURS	FRI	SAT
				1	2	3
					Episode 4A Adam Smith Importance Part A	
4	5	6	7	8	9	10
		Episode 4B Adam Smith Importance Part B			Episode 5 Rousseau Anti-Philosophes	
11	12	13	14	15	16	17
					Episode 6 Voltaire Pro-Royalism	
18	19	20	21	22	23	24
					Episode 7 Diderot's Encyclopedia	
25	26	27	28	29	30	
					Episode 8 When does the Enlightenment take Place. Re-evaluation of the Entire Chronology Map	
						GRAND FINALE GENOVA Episode 9 Summary Season II



From the Enlightenment to Business Models

Going with the Ocean Strategy Race 2022-2023

Let's begin with Adam Smith

Adam Smith
1723-1790



Photo source and Further readings:

- <https://plato.stanford.edu/entries/smith-moral-political/>
- <https://www.britannica.com/biography/Adam-Smith>
- <https://iep.utm.edu/smith/>
- <https://www.econlib.org/library/Enc/bios/Smith.html>
- Chapter 9. Democratic Enlightenment. J. Israel
- <https://press.princeton.edu/books/paperback/9780691180960/a-culture-of-growth>

- Please notice that the British Enlightenment was an ideas revolution in multiple levels. Each of the profiles of people that we are studying were situated either at:
 - A. Intellectual Transformation: As Newton or Locke or Boyle
 - B. Political Developments: Those who were politically involved as Paine, Jebb, Priestley or Price. In addition, we certainly need to include the Scottish political moderate philosophers as Ferguson, Kames.
 - C. Economic Innovations: Here we situate Adam Smith
- Adam Smith is usually identified as the father of modern capitalism, but he isn't. ***He was a moral philosopher about economic topics, but he wasn't an economist.***
- Adam Smith never coined the term "capitalism", but a study of the evolution of a commercial society that was benefited from global trade under premises that are not outstanding anymore. He built a framework of economic thinking for wealth creation under the premises of the British expansion, without the industrial revolution in place. He was sharp to observe and analyse what was happening with the European nations and their colonies all over the world.
- Educated in Glasgow College, Oxford University (Baliol College). He was a professor at Glasgow and a Tutor of the Third Duke de Buccleuch, activity that allowed him to travel and meet his contemporaries: Voltaire, Rousseau, Quesnay and Turgot.
- His two main oeuvres were: "*A theory of moral sentiments*", and "*The wealth of Nations*".



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Main historic events that marked the life of the British Enlightenment thinkers

1642-1651



The English Civil Wars (three conflicts), which were fought between Charles I and Parliament, involving Wales, Scotland and Ireland.

1649



King Charles I was beheaded in 1649

1653-1658



Oliver Cromwell ruled from 1653-1658

1655-1660



Anglo Spanish War with Spain

1660



Restoration of Charles II

1665-66



Major final outbreak Plague and Great Fire of London

1688-1689



Glorious Revolution. William III and Mary II into power

1652-54



First Anglo-Dutch War

1665-67



Second Anglo-Dutch War

1672-74



Third Anglo-Dutch War

The Century of Adam Smith

1707



Union of England and Scotland

1714



George I Of Hanover accession

1721



George II of Hanover accession

1756



Seven Years War

1760



George III of Hanover accession

1776



Declaration of American Independence

1789



French Revolution

1780-84



Fourth Anglo Dutch War

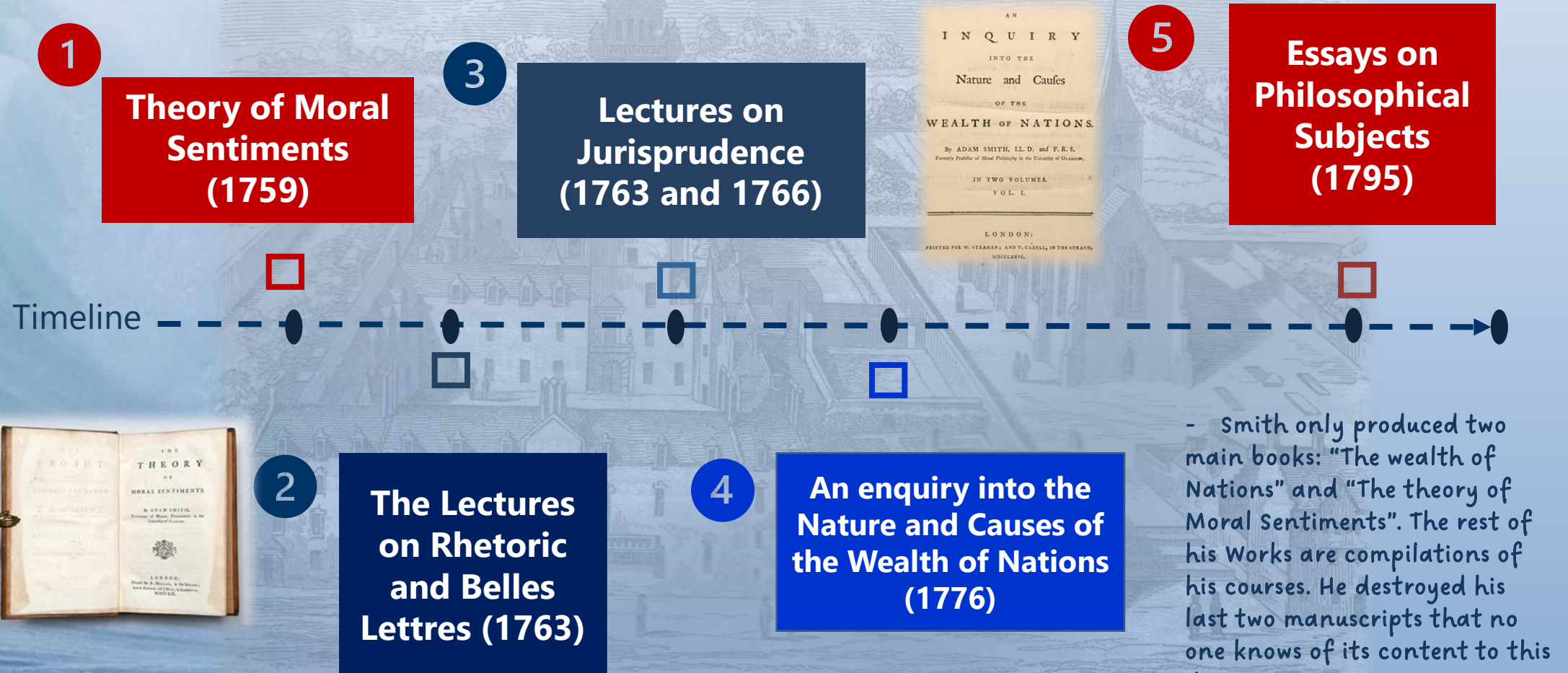


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The most relevant works of Smith are:





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Notable quotes from Smith

Mercy to the guilty is cruelty to the innocent.

Nothing is more graceful than habitual cheerfulness.

Corn is a necessary, silver is only a superfluity.

'Wages, profit, and rent, are the three original sources of all revenue as well as of all exchangeable value. All other revenue is ultimately derived from some one or other of these.'

No society can surely be flourishing and happy, of which the far greater part of the members are poor and miserable.

It is not from the benevolence of the butcher, the brewer, or the baker that we expect our dinner, but from their regard to their own interest.

'He is ... led by an invisible hand to promote an end which was no part of his intention'

Man is an animal that makes bargains: no other animal does this - no dog exchanges bones with another.

The spectator must first of all, endeavor as much as he can, to put himself in the situation of the other and to bring home to himself every little circumstance of distress which can possibly occur to the sufferer.

Every tax ought to be levied at the time, or in the manner, in which it is most likely to be convenient for the contributor to pay...

The subjects of every state ought to contribute towards the support of the government, as nearly as possible, in proportion to their respective abilities...

Every man lives by exchanging.

Virtue is excellence, something uncommonly great and beautiful which rises far above what is vulgar and ordinary.

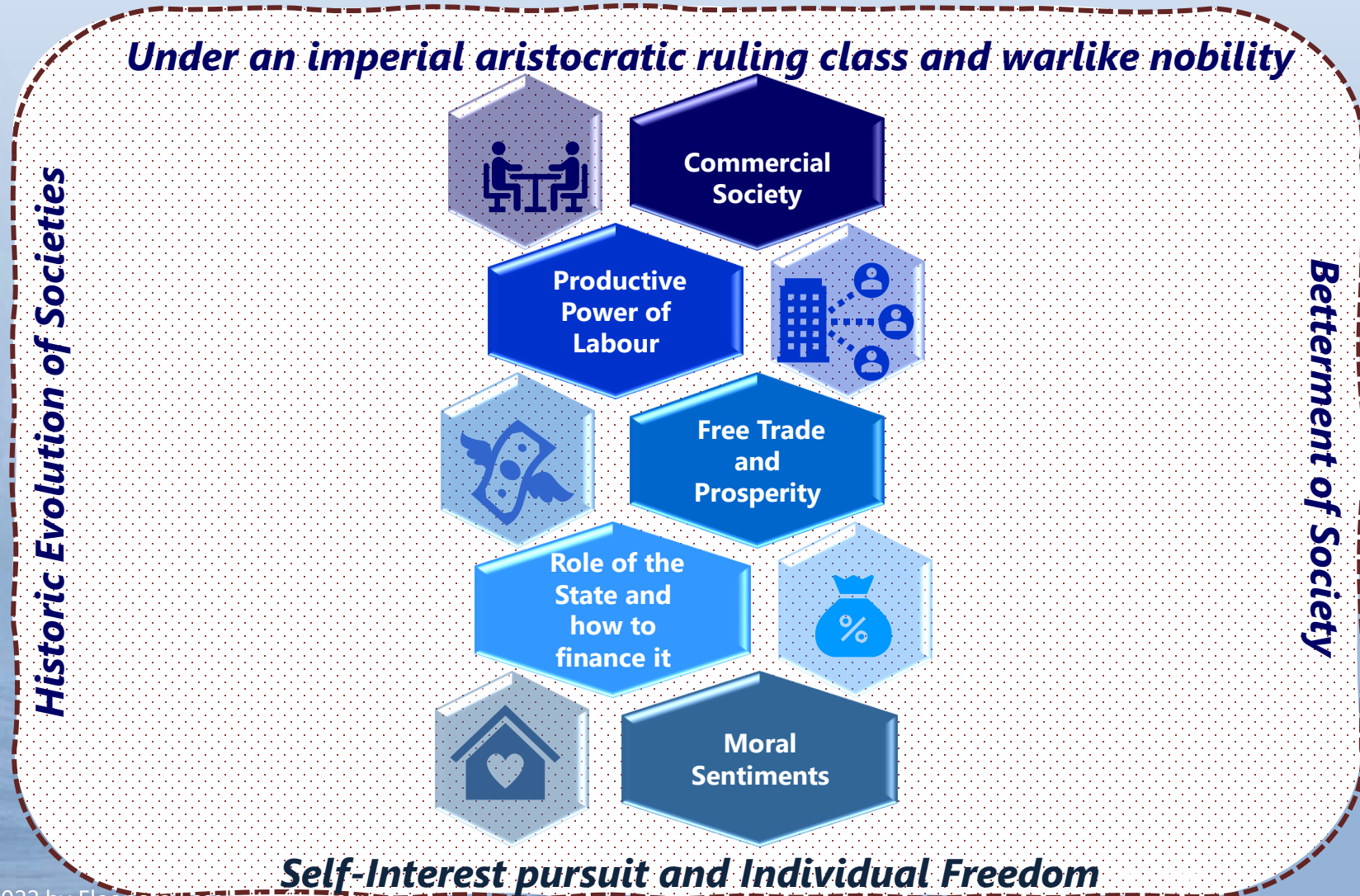


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What is the essence about Smith





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The Theory of Moral Sentiments by Adam Smith *Let's cognize!*

Sources consulted to build these slides are:

<https://academic.oup.com/edited-volume/38582>

- <https://plato.stanford.edu/entries/smith-moral-political/>
- <https://www.britannica.com/biography/Adam-Smith>
- <https://iep.utm.edu/smith/>
- <https://www.econlib.org/library/Enc/bios/Smith.html>
- <https://plato.stanford.edu/entries/scottish-18th/>
- <https://global.oup.com/academic/product/adam-smith-a-very-short-introduction-9780198784456?cc=us&lang=en&>
- <https://press.princeton.edu/books/paperback/9780691180960/a-culture-of-growth>



1
Sympathy



2
Conscience
The Impartial Spectator



3
Moral Rules



4
Top Virtues





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The Theory of Moral Sentiments by Adam Smith *Let's cognize!*



1
Sympathy

1

Sympathy

3
Conscience
The Impartial Spectator



4
Moral Rules

5
Top Virtues



APPROVAL

- Smith relates sympathy to the word approval.
- Usually, we feel empathy when we see someone else acting or doing things that we support or esteem.
- Sharing emotions and approving others' opinions trigger in us the desire to approve their behavior.
- Non sharing them, distresses us to disapprove their actions.

EMPATHY

- Natural empathy is the basis of virtue according to Smith.
- People can feel sympathy (today we utilize the word empathy) for others, in order to understand how to moderate our behaviour and preserve harmony.
- Sympathy of Smith in the 18th century equals to empathy in our current context

DISAPPROVAL

- Lack of empathy: we can't relate or don't understand another's situation, feelings or motives or actions.
- Disapproval of other actions or deeds is generated by lack of empathy.

SELF-RESTRAINT

- When there is discordance between what we feel for others, and what others feel for us, self-restraint is the solution for keeping emotions under control.
- Excess of Emotions as anger, grief or anguish distress people. To temper those emotions is an act of self-restraint.



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The Theory of Moral Sentiments by Adam Smith

Let's cognize!

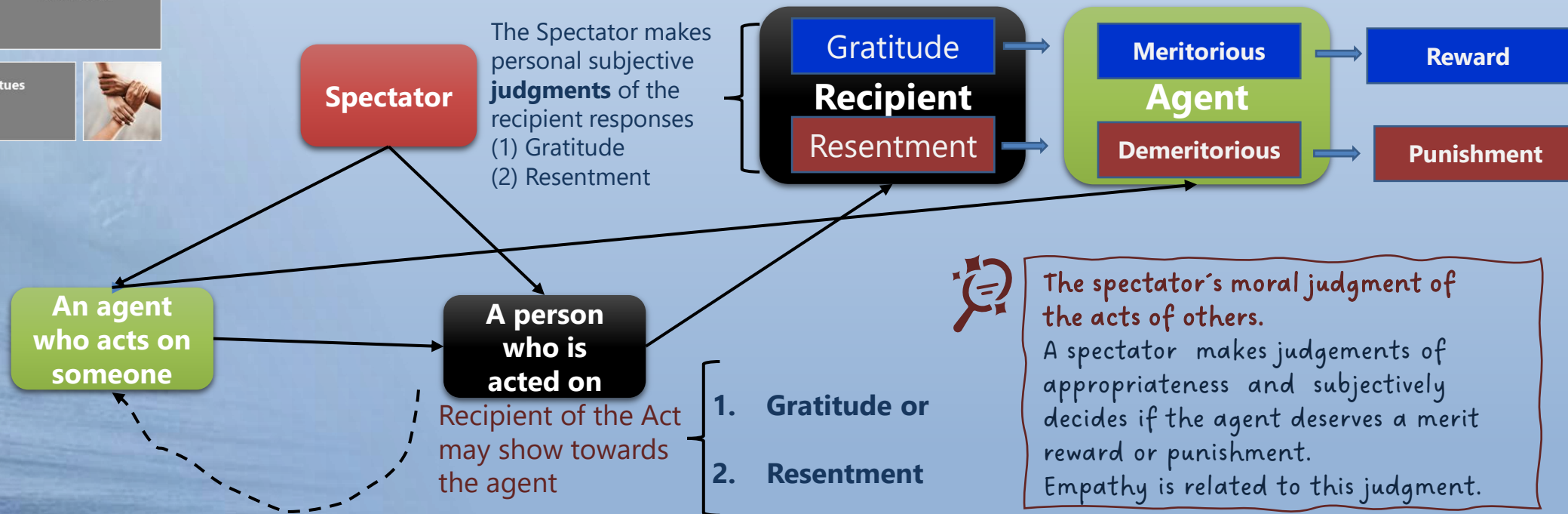


²
Conscience
The Impartial Spectator

1



A spectator is an external observer of some people who act on other people





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2

Conscience The Impartial Spectator

2

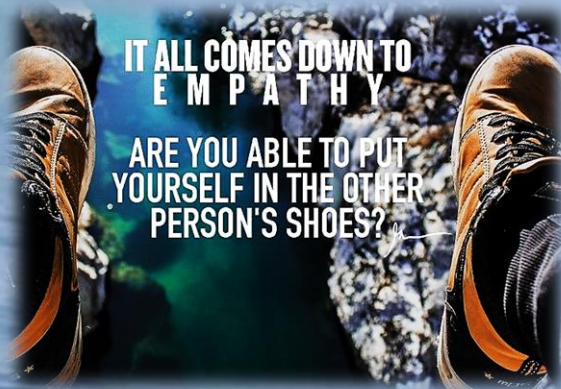


The **impartial spectator** is a principle of moral self-reflection that develops over the course of our long experience of lifetime, by visualizing exchanging places with others, through the practice of imaginative sympathy, a practice that Smith figures as a kind of **mutual mirroring**.

Conscience



The term "**Conscience**" is a process, a continuum loop of awareness that is developed over time. Smith uses the framework of "impartial spectator" as a theory of conscience.



Conscience develops over time.

Only a conscious spectator can become an "impartial spectator": it is the effect of habit (learnt resource with a social origin) and of local particular experience.

Only a well informed, tempered, self-critique disinterested person can empathize knowing the equilibrium to restrain from selfish motives, and act on discernment to judge properly into another one.



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Origin of Moral Rules

3

Moral Rules

1

- In the process of making judgments on different actions (of approval or disapproval to give a reward or punishment), humans formulate frameworks of rules of conduct according to certain benchmarks.
- These moral benchmarks are normative guides.
- These moral standards guide us. These are the moral rules.

- For Smith, moral rules are "founded upon experience of what, in particular instances, our moral faculties, our natural sense of merit and propriety, approve or disapprove of"
- These moral rules are a product of our reactions to these specific instances impede certain egregious kinds of behavior which we consider inappropriate: for example, theft, murder, rape, gossip, kidnapping, money-laundering, etc.
- The moral standards provide a framework of shared expectations for society.
- Moral rules do vary over time and place. Inevitably, these differences will become marginal in a global civilization.



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Characteristics of Moral Rules



3

Moral Rules

2

- Moral rules are essential to justice. Without them, societies could not survive.
- Moral rules enable people who are not fully virtuous to behave with a minimum of decorum and decency
- Moral rules help all of us cut through the “veil of self-delusion”, by which we may subjectively misrepresent our situations to ourselves
- Moral rules are vital component of our moral compass.



Remember

Smith describes the moral judgment in terms of an impartial spectator theory. Human laws (with punishments and rewards) aim to benefit the social order. Moral rules engender a “sense of duty” that keeps people true to principles of justice, honesty and respect. But virtuous living is above a rule-based moral system.



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4

Top Virtues

1

*Smith examines three theories of the nature of virtue.
Each theory has pros and cons.*



Propriety

- To judge an act as proper or appropriate means to approve it.
- If the judgement is improper or lacks propriety, then the act is not approved.
- Smith resists that virtue can be reduced to propriety.
- Appropriate management and direction of all our affections, doesn't mean to be virtuous.
- Propriety is an essential ingredient in virtuous actions but not the exclusive one



Prudence

- To be prudent allow us to be careful about our conduct and deeds.
- Prudence is related to circumspection. A virtue is beyond prudence, because it fails to esteem higher standards of true praiseworthiness.
- To be prudent is a respectable segment of being virtuous, but not endearing.



Benevolence

- Benevolence is related to the inclination of performing acts of generosity.
- If virtue is defined as disinterested benevolence, then we only encourage the "soft, amiable and the gentle". There are other moral excellence forces that are required for respectable endeavors as persistence or discipline



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The Theory of Moral Sentiments by Adam Smith *Let's cognize!*

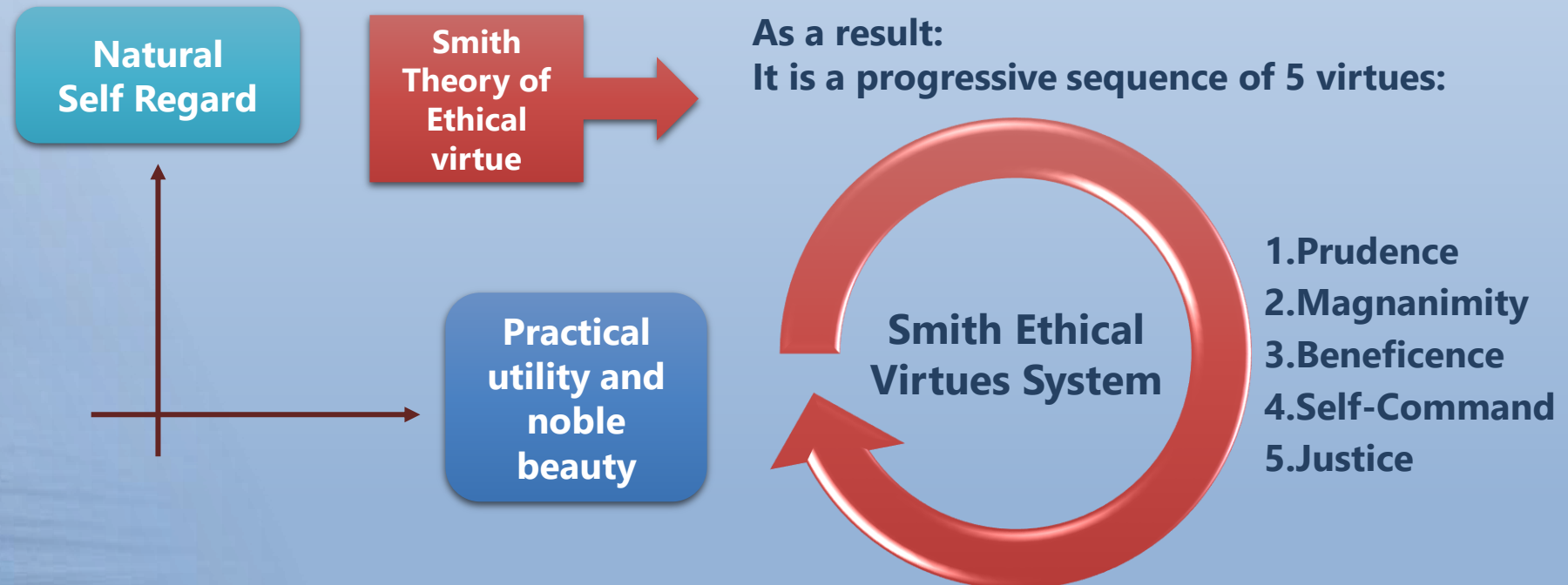


4

Top Virtues

2

Finally, Smith proposes his own theory of virtue which must put up two dimensions.





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The Theory of Moral Sentiments by Adam Smith *Let's cognize!*

About Self-Preservation, Selfishness, Self-interest, Self-Love

Self-Preservation

- It is the desire to continue living and caring for one's body and one's health.

Selfishness

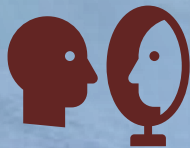
- An act is selfish to render a moral judgment. It is egoism.

Self-Interest

- To say that some act is self-interested is merely to define a motive. (I am doing something to benefit myself rather than to benefit others.)

Self-Love

- A natural feature of a person who tends to prefer and overvalue himself
- Self love is self-centeredness that may exaggerate or misrepresent persons, things and relations.
- Self-love can trigger self-deceit.



*It is very hard to distinguish accurately these 4 terms.
Adam Smith wasn't too clear. Smith criticized Mandeville same terms.*



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*The Wealth of Nations synthesis.
Let's cognize!*

Next week we will continue with The Wealth of Nations book.





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***Our next chapter will be about Smith's Wealth of Nations book.
Anticipate an unexpected strategic analysis, beyond your imagination.***

- Next week: we will analyze the Wealth of Nations on Tuesday 6th.
- Friday 9th we will publish about Rousseau.
- Many blessings and thank you for reading to me.



In 1778, Panmure House was leased to the renowned Scottish Enlightenment economist, ADAM SMITH, who lived there until his death in 1790. Smith lived in the House with his mother, Margaret Smith.

<https://www.panmurehouse.org/about-us/history-renovation/>