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Adam Smith's Two Views on the Division of Labour

By E. G. WEST

The purpose of this article is to discuss contradictions in *The Wealth of Nations* in Adam Smith's treatment of the division of labour, first from the economist's point of view and, second, from what may be called the sociological point of view. The reader is first reminded of the discussion in Book I of the economic effects of the division of labour, and of its favourable moral and intellectual effects on the workers. This is followed by a consideration of the quite opposite argument in Book V that the division of labour is morally degenerating and mentally stultifying. Finally, the influences on Adam Smith's thought are explored in an attempt to resolve some of the contradictions.

Discussion of the problem is important for two reasons. It raises questions of a biographical nature which have some novelty. Second, because the case made by Adam Smith for state education, which has had widespread influence,¹ rests on his second (unfavourable) view of the division of labour, it must remain indecisive in the context of his book as a whole unless a reconciliation of the two views can be achieved.

I

Of the five books which comprise *The Wealth of Nations*, Book I is the most widely known. The most polished chapters of the book are the first three, and they deal with the economics of the division of labour. The first chapter presents a balanced combination of empirical illustration and *a priori* analysis in the form of three propositions to account for the great increase in output which follows the division of labour; and this is supported by one major empirical study, of the famous pin factory. Smith's first proposition is that the worker tends to increase his dexterity by concentration on fewer processes. His second is that specialisation of labour brings a saving of time in changing from one process to another. His third is that the division of labour encourages invention and mechanisation.

¹ Smith's argument that the division of labour was so dehumanising as to require the antidote of state education is summarised in James Mill's article on education in the *Encyclopaedia Britannica*, 1818, and in Dr. J. Kay, *The Moral and Physical Condition of the Working Classes in Manchester in 1832*, 1832. Both these works were of seminal importance in the development of education; B. Simon, *Studies in the History of Education*, 1960. Malthus apparently approved of Smith's argument. McCulloch agreed with the cure but not the diagnosis. See also a speech by Macaulay in the House of Commons, 18th April, 1847. Adam Smith also received the praise of Karl Marx on this matter; cf. R. Tucker, *Philosophy and Myth in Karl Marx*, 1961.

In the second chapter Smith emphasises that the division of labour with all the above advantages is not the effect of any conscious regulation by the state but arises from a propensity in human nature to exchange, which in turn is linked to self-interest. Having thus explained the genesis of the division of labour, Smith uses later chapters to show how the process is self-generating in favourable conditions. The division of labour, he says, is limited by the extent of the market. But the market itself, or in other words effective demand, expands with production and prosperity, and this in turn is governed by the division of labour. In the absence of extraneous obstacles, therefore, it provides a motor or escalator of economic growth. This analysis is then supported with a wealth of historical detail showing the institutional obstacles that had frustrated the smooth development of markets and, therefore, the rate of growth of the division of labour and prosperity.

It is difficult for the modern reader to grasp that Adam Smith considered the division of labour to be almost the only factor in economic progress. According to Schumpeter, nobody either before or after Adam Smith ever thought of putting so heavy a burden on it.¹ The opening sentence of the first chapter sets the course for the rest of the book: "The *greatest* improvement in the productive powers of labour, and the *greater* part of the skill, dexterity, and judgment with which it is anywhere directed or applied, seem to have been the effects of the division of labour."² It *alone* accounts "for the superior affluence and abundance commonly possessed even by the lowest and most despised member of civilized society, compared with what the most respected and active savage can attain to in spite of so much oppressive inequality".³ The association of the division of labour with "civilization" is repeatedly made in *The Wealth of Nations*.

In sketching the economic analysis of the division of labour, Adam Smith simultaneously expressed or implied that the process resulted in changes in men's characters. Consider again the three propositions in Chapter I. First, Smith argues that the dexterity of the workman is improved. This alone presumably has a favourable effect on his intelligence. Such, at any rate, is the implication of his second proposition to the effect that the division of labour saves the time commonly lost in passing from one sort of work to another. By contrast, where there is no division of labour,

the habit of sauntering and of indolent careless application, which is naturally, or rather necessarily acquired by every country workman who is obliged to change his work and his tools every half hour, and to apply his hand in twenty different ways almost every day of his life; renders him almost always slothful and lazy, and incapable of any vigorous application even on the most pressing occasions.⁴

¹ J. A. Schumpeter, *History of Economic Analysis*, 1954, p. 187.

² *The Wealth of Nations*, edited by Edwin Cannan, sixth edition, 1950, p. 5. All references in this article are to this edition, and are indicated as: *W.N.*

³ This sentence is from an early draft of *The Wealth of Nations*, reproduced in W. R. Scott, *Adam Smith as Student and Professor*, 1937.

⁴ *W.N.*, p. 10.

It is, however, in the third proposition, that invention and mechanization are encouraged by the division of labour, where we find Smith's most philosophical and conclusive case for favourable effects upon intelligence and alertness:

Men are much more likely to discover easier and readier methods of attaining any object, when the whole attention of their minds is directed towards that single object, than when it is dissipated among a great variety of things. But in consequence of the division of labour, the whole of every man's attention comes naturally to be directed towards some one very simple object. It is naturally to be expected, therefore, that some one or other of those who are employed in each particular branch of labour should soon find out easier and readier methods of performing their own particular work, wherever the nature of it admits of such improvement. A great part of the machines made use of in those manufactures in which labour is most subdivided, were originally the inventions of common workmen, who, being each of them employed in some very simple operation, naturally turned their thoughts towards finding out easier and readier methods of performing it.¹

Indeed, the progress of the division of labour, according to Smith, eventually makes invention a special trade of its own, carried on by "philosophers or men of speculation, whose trade it is not to do any thing, but to observe everything . . ." ²

The argument of Book I clearly suggests that the division of labour enhances man's mental stature as it increases the quantity of goods produced. This view is to be contrasted with Adam Smith's other views on the division of labour which appear in Book V where, perplexingly, he seems to condemn the division of labour, in an unusual tone of outrage, for being the cause of moral degeneration. This attack comes in the context of one of Smith's rare arguments for government interference, specifically in the provision of education for the common people. Such education is necessary, he says, as an antidote to the ill effects of increasing division of labour:

In the progress of the division of labour, the employment of the far greater part of those who live by labour, that is, of the great body of the people, comes to be confined to a few very simple operations, frequently to one or two. But the understandings of the greater part of men are necessarily formed by their employments. The man whose life is spent in performing a few simple operations, of which the effects are perhaps always the same, or very nearly the same, has no occasion to exert his understanding or to exercise his invention in finding out expedients for removing difficulties which never occur. He naturally loses, therefore, the habit of such exertion and generally becomes as stupid and ignorant as it is possible for a human creature to become. The torpor of his mind renders him not only incapable of relishing or bearing a part in any rational conversation, but of conceiving any generous, noble or tender sentiment, and consequently of forming any just judgment concerning many even of the ordinary duties of private life . . . ³

¹ *W.N.*, p. 11. ² *W.N.*, p. 12. ³ *W.N.*, p. 267.

His dexterity at his own particular trade seems, in this manner, to be acquired at the expense of his intellectual, social and martial virtues. But in every improved and civilised society this is the state into which the labouring poor, that is, the great body of the people, must necessarily fall, unless government takes some pains to prevent it.¹

Thus, while the argument in Book I is that workers become “slothful and lazy” *without* the division of labour, Book V maintains that workers become “stupid and ignorant” *with* it. The discussion in Book V admits that the worker develops dexterity, but argues that he acquires it at the expense of intellectual, social and martial virtues. We need not consider here the implications of this uneasy formulation. It is more appropriate to note the more striking inconsistency between Smith’s two views on the effect of division of labour on invention. In Book I we read: “Men are much more likely to discover easier and readier methods of attaining any object when the whole attention of their minds is directed towards that single object than when it is dissipated among a great variety of things”.² This is supported by the story of the boy who connected a piece of string between the beam and the valve of the steam engine to save his labour. In Book V we have: “The man whose whole life is spent in performing a few simple operations, of which the effects are perhaps always the same, or very nearly the same, has not occasion to exert his understanding or to exercise his invention in finding out expedients for removing difficulties which never occur.”³

II

Before we attempt an explanation, let alone a reconciliation, of Smith’s apparently contradictory views, some general observations on the sociological content of his work are necessary.

A scholarly *tour de force* such as *The Wealth of Nations* would have found its place in the history of thought under any circumstances. Economists value it primarily for the great advance in method of analysis; it is not so much what Adam Smith said as how he said it that is so striking. But it would be rash for economists to presume that theirs was the only field to which Adam Smith applied his scientific method. According to Dugald Stewart, the contemporary biographer and colleague of Smith, *The Wealth of Nations* was an essay in “conjectural history”. This meant the systematic study of the effect of legal, institutional and general environmental conditions upon human progress, a branch of study which had started with Montesquieu, and was taken up not only by Smith but also by his Scottish friends and colleagues, Lord Kames, Hume, Ferguson and Millar. This field of study today would be called sociological evolutionism, and there can be no doubt of Adam Smith’s preoccupation with it throughout his book. The sociological content appears more frequently in the later part of the

¹ *W.N.*, p. 268. ² *W.N.*, p. 11. ³ *W.N.*, p. 267.

work, especially in Books III and V, whereas much of the economic analysis is concentrated in Book I.¹

There is, of course, no difficulty where there is some minimum *rapport* between the "economics" and the "sociology". But where the findings in the two fields are opposed—as in respect of the division of labour—we have a problem. If we are satisfied that Smith's two views on the division of labour are incompatible, our first reaction is to trace the chronological sequence of Adam Smith's thought to discover which was his latest opinion. The evidence suggests, however, that he had his dual attitude towards the division of labour throughout his life. In his early years he made statements of a similar contradictory nature in lectures given at the University of Glasgow between 1760 and 1764. These lectures were on moral philosophy and were divided into four parts: Natural Theology, Ethics, Justice and Jurisprudence. In the last section he examined those political regulations which are calculated "to increase the riches, the power and the prosperity of a State".² In the sub-section of one lecture entitled "Cheapness and Plenty", his view of the division of labour is parallel with that in Book I of *The Wealth of Nations*. Thus he remarks that the country labourers naturally acquire a habit of indolence because the country employments of sowing, reaping and threshing are so different. But "if a man's business in life is the performance of two or three things, the bent of his mind will be to find out the cleverest way of doing it; but when the force of his mind is divided, it cannot be expected that he should be so successful."³ However, in the section entitled "Of Police" in another lecture, his view is parallel to that in Book V of *The Wealth of Nations*:

There are some inconveniences however arising from a commercial spirit. The first we shall mention is that it confines the views of men. Where the division of labour is brought to perfection, every man has only a simple operation to perform; to this his whole attention is confined, and few ideas pass in his mind but what have an immediate connexion with it. When the mind is employed about a variety of objects, it is somehow expanded and enlarged, and on this account a country artist is generally acknowledged to have a range of thoughts much above the city one.⁴

The contradiction is the same. Notice, however, that Adam Smith chooses an artist as his example in the second quotation. The type of

¹ Aspects of the sociological content of *The Wealth of Nations* are discussed in: R. L. Meek, "The Scottish Contribution to Marxist Sociology", in *Democracy and the Labour Movement*, ed. John Saville, 1954; A. Small, *Adam Smith and Modern Sociology*, Chicago, 1907; A. Solomon, "Adam Smith as Sociologist", *Social Research*, February, 1954; Duncan Forbes, "Scientific Whiggism: Adam Smith and John Millar", *Cambridge Journal*, vol. VII (1954); A. L. Macfie, "The Scottish Tradition in Economic Thought", *Scottish Journal of Political Economy*, vol. II (1955); and Gladys Bryson, *Man and Society: The Scottish Inquiry of the 18th Century*, Princeton, 1945.

² *Lectures on Justice, Police, Revenue and Arms delivered in the University of Glasgow by Adam Smith, reported by a student in 1763*, edited by Edwin Cannan, 1896, p. xiv.

³ *Lectures*, p. 167. ⁴ *Lectures*, p. 255.

artist he had in mind was a furniture maker, a person who to-day would be called a craftsman. The country artist, Smith continues,

. . . is perhaps a joiner, a house carpenter and a cabinet maker all in one, and his attention must of course be employed about a number of objects of very different kinds. The latter [the city artist] is perhaps only a cabinet-maker; that particular work employed all his thoughts, and as he had not an opportunity of comparing a number of objects, his view of things beyond his own trade are by no means so extensive as those of the former. This must be much more the case when a person's whole attention is bestowed on the seventeenth part of a pin.¹

In another lecture Smith says that man is not content just to produce quantity, but also to discover art in the process—to produce with increasing “niceness”.² This pursuit of beauty is a constant theme in his earlier philosophical work, *The theory of Moral Sentiments* of 1759. Moreover, he had a particular theory of beauty which was similar to that held by Hutcheson, his tutor in moral philosophy. The essence of beauty was summarised in the phrase “uniformity in the midst of variety”, and the idea can be traced to Shaftesbury.³ Smith reflects this theory in this way: “Nothing without variety pleases us; a long uniform wall is a disagreeable object. Too much variety, such as the crowded objects of a parterre, is also disagreeable. Uniformity tires the mind; too much variety, too far increased, occasions an over-great dissipation of it.”⁴ Now according to Smith's philosophical essays which preceded the Glasgow Lectures, the pursuit of beauty is an essential ingredient in life. In the essay on “The History of Astronomy”⁵ he maintained that man cannot live satisfactorily without Wonder, Surprise and Admiration. “What is new and singular, excites that sentiment which, in strict propriety, is called Wonder; what is unexpected, Surprise and what is great or beautiful, Admiration.” On the need for surprise he said: “It is well known that custom deadens vivacity of both pain and pleasure, abates the grief we should feel for the one, and weakens the joy we should derive from the other. The pain is supported without agony, and the pleasure enjoyed without rapture: because custom and the frequent repetition of any object comes at last to form and bend the mind or organ to that habitual mood and disposition which fits them to receive its impression without undergoing any very violent change.” Later in the same essay Smith remarks that when we enter the work houses of the most common artisans such as dyers, brewers, distillers, the spectator is beset with Wonder at the events therein. But for the artisan these events “fall in with what custom has made the natural movement of his imagination: they no longer excite his Wonder”.

¹ *Ibid.*, p. 255. ² *Ibid.*, p. 160.

³ Francis Hutcheson, *An Inquiry into the Original of Our Ideas of Beauty and Virtue*, 1725. For a recent opinion on the significance of Adam Smith's aesthetics, see O. H. Taylor, *A History of Economic Thought*, 1960, p. 41.

⁴ Lectures, p. 159: “The taste of beauty which consists chiefly in the three following particulars, proper variety, easy connection, and simple order, is the cause of all this niceness.”

⁵ *Essays on Philosophic Subjects by the late Adam Smith*, first edition, 1795.

It is reasonable to conjecture that those particular factory environments which had a balance of variety of objects in them and, moreover objects which themselves were frequently changed (as in a general dynamic economy), would create conditions consistent with Smith's desire for Wonder, Surprise and Admiration. It may be that this was the type of factory Smith had in mind when he approved of the division of labour, in Book I of *The Wealth of Nations*. Other more static situations, however, may have constituted the image of the factory that pre-occupied him when he was writing the passage in Book V which condemns the division of labour.

It will be seen that the philosophy behind Adam Smith's statements is of a behaviouristic or sensationalist variety, which may well have originated under the influence of Locke. ". . . The understandings of the greater part of men are necessarily formed by their employments," claimed Smith,¹ a statement which can be compared with Locke's, "Things effect the mind which proceeds to compound enlarge and abstract the simple ideas already given".² This kind of environmental determinism is at large throughout *The Wealth of Nations*. It reflected a contemporary trend in philosophical thought. Smith even maintained that "the difference between the most dissimilar characters, between a philosopher and a common street porter, for example, seems to arise not so much from nature as from habit, custom and education". It may be observed, also, that Smith does not make the usual claim for the division of labour that it allows us to make the best of our "natural" talents. ". . . The very different genius which appears to distinguish men of different professions, when grown up to maturity, is not upon many occasions so much the cause as the effect of the division of labour."³ The careful wording of this sentence, however, separates him from that complete and uncompromising determinism that was developing in Smith's time and found its champion in Helvetius.⁴

Helvetius and his followers reduced morality to a utilitarian science. Adam Smith's ethical position was far more complicated and certainly had a more traditional basis. The religious influence of Hutcheson, for instance, never seems to be far removed. Both believed in education as a contrivance to prevent vice and to promote religion. But Smith also valued the promotion of religion as a means for opening up speculative thought in general: "By it (education) they learn to read and this gives them the benefit of religion, which is a great advantage not only considered in a pious sense, but as it affords them subject for thought and speculation."⁵ Smith was anxious that people should have

¹ *W.N.*, p. 267.

² Quoted in W. R. Scott, *The Life of Hutcheson*, 1900, p. 173.

³ *W.N.*, p. 17.

⁴ Condillac and Hartley were other exponents of the same principle which stemmed originally from Hobbes and Locke. Others whose policy proposals enthusiastically reflected this philosophy included Joseph Priestley, Godwin, James Mill and Robert Owen.

⁵ *Lectures*, p. 256.

“subject for thought and speculation”, and it was the fear of mental stagnation that made him attack the division of labour.

Among Smith's associates who had sociological interests, John Millar was especially concerned with the particular field of technological determinism.¹ Millar acknowledged his debt to private conversations with Adam Smith, whose lectures he also had attended. In his own writings Millar follows Smith very closely at some points on the subject of the division of labour, but departs erratically from him at others: “In proportion as the operation which they perform is narrow, it will supply them with few ideas, and according as the necessity of obtaining a livelihood obliges them to double their industry, they have less opportunity or leisure to procure the means of observation, or to find topics of reflection.”² Millar does not adequately explain why men suddenly have to double their industry, and does not seem to see that the division of labour is a device which works towards greater wealth and leisure. Smith could never have made the same mistake. Later in the same passage, however, Millar contradicts himself by admitting that the pin factory workers do have leisure to read and money enough to be well dressed. One wonders how far the following comment on the division of labour would have been supported by Adam Smith to whom Millar refers his readers at this point:

The pin-maker who commonly lives in a town, will have more of the fashionable improvements of society than the peasant; he will undoubtedly be better dressed; he will in all probability, have more book learning, as well as less coarseness in the tone of his voice, and less uncouthness in his appearance and deportment.” Millar believes, however, that compared with the countrymen, “he would be greatly inferior in real intelligence and acuteness; much less qualified to converse with his superiors, to take advantage of their foibles, to give a plausible account of his measures or to adapt his behaviour to any peculiar and unexpected emergency.

Millar shared Smith's general admiration for the agricultural worker, an attitude which again was common in the eighteenth century when townspeople were looked upon with more suspicion and distrust. Indeed, it seems likely that Smith's complaint of moral and intellectual degeneration was directed more against town life as such than against the factory which was only one aspect of it. “It is remarkable that in every commercial nation the low people are exceedingly stupid. The Dutch vulgar are eminently so, and the English more so than the Scotch. The rule is general; in towns they are not so intelligent as in the country, nor in a rich society as in a poor one.”³ This may well have been prejudice, but there is no doubt that Smith treated it as an established fact. It is possible that in Book V he worked back from

¹ Cf. W. C. Lehmann, *John Millar of Glasgow*, 1960.

² *Historical Review of the English Government*, 1803, p. 155.

³ *Lectures*, p. 256. In a note to his edition of 1828 of *The Wealth of Nations*, McCulloch accused Smith of prejudice against townspeople, and voiced the opposite view that they are more intelligent than country people.

this "fact" to make his social diagnosis. By contrast, however, his analysis of the productive advantages of the division of labour in Book I carried him forward buoyantly to reach conclusions about the incidental social effects which were positively favourable and optimistic. Proceeding from two different starting points, the sociological and economic methods thus yielded different results.

Another sociological observation made by Smith in the same part of his Glasgow Lectures was that in towns the easy affluence caused by abundant employment opportunities for children was undermining parental authority and therefore the stability of family life. Here Smith faces up to the consequences of the ability of the division of labour to give not only high wages but also more leisure. His real complaint is that people do not know how to use their newly-found leisure—the criticism of the affluent society so often heard to-day. Because a boy gets a job quite early, he

. . . begins to find that his father is obliged to him, and therefore throws off his authority. When he is grown up he has no ideas with which he can amuse himself. When he is away from work he must therefore betake himself to drunkenness and riot. Accordingly we find that in the commercial parts of England, the tradesmen are for the most part in this despicable condition; their work through half the week is sufficient to maintain them and through want of education they have no amusement for the other but riot and debauchery. So it may justly be said that the people who clothe the world are in rags themselves.¹

The support for paternal authority again probably shows the influence of Hutcheson. He upheld the place of the family in society with particularly strong moral fervour; furthermore, both writers advocate the same means to strengthen its foundation—the education of young persons in local schools.

This wider examination of Smith's writings and of the influences surrounding him may suggest that his own ardour for philosophical, scientific and cultural pursuits, together with his theories about them, gave him an excitement and a message he wished to share with others. This wish would turn to frustration at the sight of large numbers of persons of apathetic and listless disposition. Such congregations were to be found in the growing towns, where they were the product of many and various conditions. Smith's selection from among these of only one causal condition—the division of labour—was perhaps a hasty and rather doctrinaire attempt to apply a contemporary behaviouristic

¹ *Lectures* p. 257. In *The Wealth of Nations*, p. 83, town workers are still described as affluent, but voluntary idleness is there only attributed to a minority of them. The temptation to do excessive overtime due to high piece rates and "mutual emulation" is Smith's new anxiety. Smith similarly reveals himself as a critic of the affluent society in *The Theory of Moral Sentiments*. Writing of a man who "devotes himself for ever to the pursuit of wealth and greatness", he presents a picture of an unfortunate wretch who ". . . in the last dregs of life, his body washed with toil and disease . . . begins at last to find that wealth and greatness are mere trinkets of frivolous utility . . ." (6th. ed., 1777, pp. 240-42).

philosophy to a problem which sociologically was much more complicated than he imagined. Confronted with large groups of apparently stupid people, his sense of outrage led him to overstate his case against the factory system so wildly as to contradict the more objective findings of the economic analysis of the division of labour.

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