Exploring 'Epistemologies of Reading' Using Adam Smith's 'Invisible Hand'

by

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Abstract

This thesis demonstrates the inherent and inalienable role that a reader's epistemological commitments play in their reading of historical concepts. To make this argument, I examine the plethora of different readings of Adam Smith's 'invisible hand'. We see in these readings an illustration of a trend ubiquitous throughout academia: the production of a historical lineage for an idea or theory through the process of reading and then invoking a historical predecessor. Readings of the 'invisible hand' from 1759 to 2017 are examined and the epistemological commitments of their authors are shown to shape and condition them, in other words, I identify what I call 'Epistemologies of Reading'. The term 'Epistemologies of Reading' denotes the phenomenon of how an individual's conception of knowledge, what they believe constitutes valid knowledge and how this can be attained and measured, impacts upon their reading process. Relatedly, an individual's 'Epistemology of Reading' is simply the specific way in which their epistemology impacts upon their reading.

The thesis proceeds in three steps. I begin by identifying the various readings of the 'invisible hand' that have occurred since Smith's first use of the phrase in Theory of Moral Sentiments, published in 1759. I then group these into seven ideal-type readings on the basis of their shared characteristics. In a second step, I identify the epistemological frameworks that shape and condition these readings, using an intertextual, symptomatic approach. In a final step, I employ the work of Quentin Skinner to perform a theoretically grounded evaluation of these types and their associated epistemological commitments. This project is underpinned by a conceptual framework comprised of the approaches of Karl Mannheim, Reinhart Koselleck and Quentin Skinner: combined, these scholars provide a conceptual toolbox with which I have been able to understand and articulate the existence of different 'Epistemologies of Readings' of the 'invisible hand'.

In undertaking this research, my thesis contributes to two bodies of literature. Firstly, my identification of 'Epistemologies of Reading' represents a contribution to the literature on methods of intellectual history – in particular, the work of Quentin Skinner and Mark Bevir. I add to their discussions relating to extracting meaning from a text, specifically through accessing an author's 'mental world' or 'web of beliefs'. Secondly, my focus on Adam Smith's 'invisible hand, and my unpacking of the numerous readings of this phrase, represents my contribution to the body of contemporary revisionist literature, as these scholars focus specifically on revising mainstream interpretations of Smith.

This microstudy of economic knowledge formation demonstrates the decisive role played by epistemological frameworks in the reading process. As a consequence of this, I make the normative claim that to adequately and comprehensively understand an individual's reading of a historical figure or their work, one must incorporate an epistemological analysis, understanding it not as an independent activity but rather as being epistemologically conditioned.

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Declaration

This thesis has been funded by the ESRC. It is my own work and has not been submitted for a degree at another university.

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Chapter 1. Introduction

1.1 Research Problem & Research Questions

The process of reading is fundamental for academic research as it is the primary means through which we access and seek to understand our historical predecessors. Any invocation of intellectual predecessors, their concepts or ideas is enabled only through this process of reading. I contend, therefore, that to expand our knowledge of the reading practices and processes of others, as well as our own, is an important intellectual pursuit. I propose that we can achieve this by acknowledging and examining the role that epistemology plays in the process of reading. Namely, exploring how the epistemological commitments of the reader impact upon their reading. To do so is the primary goal of this thesis. Such an exploration is achieved by employing an illustrative example: readings of Adam Smith's 'invisible hand'. Through an examination of the plethora of readings of this entrenched phrase, I am able to demonstrate the inherent and inalienable role that a reader's epistemological commitments play in the production of their reading, in other words, I identify what I call 'Epistemologies of Reading'. The term 'Epistemologies of Reading' denotes the phenomenon of an individual's conception of knowledge – what they believe constitutes valid knowledge and how this can be attained and measured, in other words, their epistemology – impacting upon their reading process. Relatedly, an individual's 'Epistemology of Reading' is simply the specific way in which their epistemology impacts upon their reading. By identifying epistemology as a decisive factor that conditions reading, I demonstrate that such a factor ought to be acknowledged and analysed when undertaking academic analysis of the receptions of particular people, concepts or ideas. Thus, discussions within this thesis are primarily a contribution toward the field of intellectual history. Due to my exemplification of this argument through an engagement with readings of Adam Smith's 'invisible hand, I make a further and subsequent contribution to a body of literature referred to herein as the 'contemporary revisionist' literature. Contemporary revisionist scholars are so-called due to their primarily revisionist approach to studying Smith. They assess and critique mainstream interpretations of Smith and the 'invisible hand' before offering alternative, revised interpretations of his work. In addition, these scholars reflect on the means and methods of improving engagement with Smith's texts. Specifically, my systematic exploration of different readings of the 'invisible hand' in addition to my evaluation of these different readings, represent contributions to this body of contemporary revisionist literature.

The existence of a plethora of readings of Smith's 'invisible hand' poses a particular research problem, a problem first articulated by the contemporary revisionist scholars. We know that Adam Smith discussed the 'invisible hand' a total of three times, across three publications in the mid to late 1700s. Despite these words remaining unchanged from his death in 1790, there exists an abundance of different interpretations of the phrase. According to different scholars, and at different points in time, the 'invisible hand' is understood as meaning God; a moral justification for the pursuit of profit; the first of the fundamental welfare theorems, 'Spontaneous Order' and simply a joke. When confronted with this reality, the question arises, why might the same three unchanging, static words be interpreted and invoked in such vastly different and often contradictory ways? This question, first posed by the contemporary revisionist scholars, is the research problem that this thesis seeks to address.

This thesis addresses the above problematic by exploring how a reader's epistemological framework impacts upon their reading. I argue that the existence of a multitude of readings of the 'invisible hand' can be explained, in part, by the fact that different readings are conditioned by differing epistemological frameworks. To know a reader's epistemological framework, or their epistemology, is to know how they conceive of knowledge, how they determine "what can be counted as knowledge, where knowledge is located, and how knowledge increases" (Fitzgerald, 1996: 36). Such a framework is understood to be made up of an individual's various epistemological 'commitments', 'preferences' or 'assumptions', these terms are understood in their colloquial sense and are used interchangeably throughout the thesis. As such, an individual's epistemological commitments, preference or assumptions are understood as being the specific claims they make about knowledge, how it might be measured, attained or determined to be valid which, when taken together, form their more general, broad epistemological framework or epistemology.

Unpacking an individual's 'Epistemology of Reading' – the specific way in which their epistemological commitments impact their reading – serves to increase the depth of knowledge of the reading itself by identifying and examining a factor that has shaped it. However, identifying 'Epistemologies of Reading' also enables one to better question and critique any political ideas or policies that the reading is being invoked to justify. The 'invisible hand' is invoked to legitimise specific economic and political practices by providing a historical lineage for them (Laidler, 2007: 378; Hetzel, 2007: 1). Most prominently it has been used by Milton Friedman to justify policies associated with neo-liberalism, including privatisation and deregulation (Tribe, 1999:

610). Thus, unpacking and examining these readings in a thorough and comprehensive manner is not merely of intellectual but also of practical-political importance.

On the basis of this research problematic, this thesis asks: how, and to what extent, do a researcher's epistemological commitments impact upon their reading of their historical predecessors? And more specifically, how and to what extent are the plethora of readings of Adam Smith's 'invisible hand' impacted upon by the readers' epistemological commitments? Moreover, the thesis questions and assesses the quality and rigour of these different readings and their associated epistemologies by evaluating them against a standard of 'comprehensiveness' as established through an engagement with the work of Quentin Skinner. By answering these central research questions, this thesis provides a novel approach to understanding how particular readings are conditioned and shaped and, more specifically, an original way of thinking about, and researching, readings of Adam Smith's 'invisible hand'. This new approach acknowledges and prioritises the role of epistemology in the conditioning of these readings.

1.2 Research Approach

In order to answer my central research questions, I have adopted a number of different methodological steps all underpinned by a three-pronged theoretical approach. To theoretically ground my work, I adopt a synthesis of Reinhart Koselleck's *Conceptual History*, Karl Mannheim's *Sociology of Knowledge* and Quentin Skinner's work on the methods of intellectual history. Taken together, these three thinkers provide the analytical concepts and categories required for my research. Mannheim's *Sociology of Knowledge* provides a basis for understanding a scholar's work not as independent, objective or value-free but rather as existentially bound to its epistemological underpinnings. Mannheim does not discuss the conditioning effects of epistemology specifically rather, he examines how the social, economic and political environment impacts upon intellectual activity. However, his work creates the theoretical space for understanding epistemology as a factor that may condition the reading process. The adoption of Koselleck's *Conceptual History* enables me to understand the 'invisible hand' not merely as three words or a simple term, but rather as a concept that can hold a number of different meanings for different people simultaneously (Koselleck, 1985: 84). Furthermore, adopting Koselleck's analytical framework allows me to understand and articulate the contingency and contested nature of this concept and then regard this contingency as indicative of wider, external shifts. The thesis is neither a *Conceptual History* nor a *Sociology of Knowledge*

but rather it borrows from both of these approaches to produce a way of understanding, thinking about and articulating my specific project.

I complement Mannheim and Koselleck with the work of Quentin Skinner. Through an engagement with Skinner's work, I establish seven standards of reading:

Readings should:

- be close, thorough and detailed;
- not be anachronistic;
- be based upon both the text and its context;
- be built upon an engagement with the author's entire oeuvre;
- not interpret scattered remarks to be the author's doctrine;
- not 'read in' historical significance, and;
- ensure that the 'sense' and 'reference' of the work is approached in a historically-aware manner.

These 'Skinnerian standards' perform two key roles in the thesis. Firstly, they provide a theoretical grounding, goal and 'ideal' for my own processes of reading: methodologically, my thesis relies heavily on the process of reading and this has been carried out in such a way as to attempt to adhere to these Skinnerian standards. Secondly, following the reporting of the seven types of reading of the 'invisible hand' in Chapters Three to Nine, I move to evaluate them and their associated epistemological commitments. I do so against a standard of 'comprehensiveness', understood to be adherence to all seven of these Skinnerian standards. This process of evaluation acts as an antidote against a disengaged pluralism of readings; a debilitating situation in which ever-increasing pluralism combined with an "incapacitating relativism" results in the loss of criteria for meaningful theoretical criticism and engagement (Wight, 2019: 68, see also Dunne, Lene & Wight, 2013). By employing standards against which I can evaluate, I am able to discuss these readings in a meaningful and non-relativistic manner. Thus, these standards provide both a theoretical grounding and ideal for my own reading process as well as a yardstick against which I can assess other readings.

Synoptically, the work of Skinner, Mannheim and Koselleck provides the theoretical grounding for my research and ultimately underpins and informs my methodological choices. In line with

my research questions, I have adopted a three-pronged methodological approach. Firstly, to identify the types of reading of the 'invisible hand' from 1759 until the present day I use a combination of archival research, JSTOR database searching and cross-referencing of secondary literature. I then use the *NVivo* software platform to code these readings inductively before grouping them together along the lines of their shared characteristics. This produces seven 'ideal-type' readings of the 'invisible hand'. Secondly, and to facilitate the examination of the conditioning effects of epistemological frameworks, I adopt the combined method of an intertextual, symptomatic reading. After selecting representative authors for each ideal-type, I engage with them intertextually, in line with the work of Julia Kristeva (1986). This means looking at their readings of the 'invisible hand' in light of their other methodologically and epistemologically inclined works. Following this I adopt a symptomatic reading, as outlined by Althusser (1970), which enables me to identify the author's epistemological framework by closely examining how they frame their problematic. I am then in a position to explore how an author's epistemological commitments relate to, and impact upon, their reading of the 'invisible hand'. My third and final stage of research is an evaluation of these readings and their associated epistemologies. I determine the 'comprehensiveness' of the readings by evaluating them against seven standards of reading established through an engagement with Skinner. A higher adherence to these standards is indicative of a higher level of comprehensiveness. Adopting this mixed-methods, three-pronged approach enables me to address each of my central research questions in a methodologically rigorous manner.

1.3 Parameters of Research

I have, thus far, discussed what I aim to do and how I shall do it. However, I must also reflect on what I *do not* aim to do and establish the parameters and boundaries of my research. I will discuss two specific boundaries: my exclusive focus on the 'invisible hand' and my exploration of the conditioning effects of epistemology.

Smith only mentions the 'invisible hand' three times in all of his published works, a fact I return to regularly as a basis for questioning and critiquing the considerable significance placed upon the phrase by modern readers. At points, I also claim that such a narrow focus on this phrase is to the detriment of an engagement with the rest of Smith's work. It may appear somewhat paradoxical, therefore, that the 'invisible hand' forms the core of my thesis. It is undeniable that the discussions of Smith within this thesis are almost exclusively in relation to the 'invisible

hand' and therefore I do not engage with the breadth and depth of his work. The reason for this is, quite simply, that Smith's work and his 'invisible hand' is *not* my analytical focus. Rather, I am interested in, and seek to study, readings of the 'invisible hand', examining their form and how epistemology impacts upon them. This thesis, therefore, is explicitly not an exploration of Smith's work, nor a discussion of what the 'invisible hand' might *actually* mean. In fact, I am sceptical that it is indeed possible to determine its meaning. Rather, I am interested in those that read the 'invisible hand', the way in which they do so and their associated 'Epistemologies of Reading'.

With regard to the aspects that condition the practices and processes of reading, I make the claim that a reader's epistemological commitments play a decisive role. There are, however, a plethora of different factors that may also impact upon a reading: a reader's education, ideological stance, gender, age, or career stage to name but a few. Each of these, and many more, are valid and important factors and thus ought to be acknowledged. They are, however, *not* the focus of this thesis. To introduce these factors in a superficial or narrow sense would undermine their potential importance and thus I have avoided discussing them entirely. Relatedly, while I acknowledge that epistemological commitments are just one of many factors that may impact upon a reading, I do not seek to discuss their impact relative to other factors. To do so adequately would require a significant examination of the conditioning effects of alternative factors, something I am unable to achieve within the limitations of the thesis.

There is, however, one additional, conditioning factor that I must briefly reflect upon, namely a reader's historical context. The role played by a reader's historical context is deserving of specific elaboration because it might be suggested that there is a close, or even conditional, relationship between an individual's epistemological commitments and their historical circumstances. Certainly, my analysis has identified that some types of reading of the 'invisible hand' appear to be clustered in certain time periods. Thus, the corresponding 'Epistemologies of Reading' are also clustered in the same particular time periods. That being said, the 'Transcendental' reading appears in a number of different time periods, as does its corresponding epistemological commitments. Accordingly, the relationship between an individual's epistemological framework and their historical circumstances is neither simple nor straightforward. With regard to the parameters of this thesis, my goal is to elaborate upon certain epistemological frameworks and their impact on reading. My goal is *not* to discuss how or when certain epistemological frameworks have arisen and become mainstream. Therefore, any

discussion of the relationship between historical circumstances and epistemologies sits outside of the purview of this thesis.

1.4 Adam Smith

The following section serves to introduce Adam Smith and the 'invisible hand' by providing a very brief biography of Smith, an overview of his use of the 'invisible hand' and a discussion about why readings of this particular phrase are best placed to explore 'Epistemologies of Reading'.

Adam Smith was born in Kirkcaldy, Scotland, in 1723. At the age of fourteen Smith began studying moral philosophy at the University of Glasgow under Francis Hutcheson, a philosopher and the founding father of the Scottish Enlightenment. Smith undertook his postgraduate education at Balliol College, Oxford which was funded through a scholarship and was where Smith remained until 1746. Following his studies, Smith delivered a public lecture series at Edinburgh University before earning a permanent professorship at Glasgow University in 1751. It was at this time that Smith became the head of Moral Philosophy and wrote his book *The Theory of Moral Sentiments* which was published in 1759. At the end of 1763, British politician Charles Townshend offered Smith the position of tutor for his stepson Henry Scott (the Third Duke of Buccleuch), a position that Smith accepted. During his role as tutor, Smith lived for nearly a total of three years in France, where he became acquainted with many intellectual leaders of the time including Benjamin Franklin, Helvétius, François Quesnay and Voltaire. Following the completion of his tutoring job, Smith returned to Britain in 1766 where he split his time between London and Kirkcaldy. Over the next ten years, Smith wrote and published his second book, *The Wealth of Nations* (1776) which was widely received and praised. Following the publication of his second book, Smith moved to Edinburgh where he was appointed as Commissioner of Customs in Scotland; became a founding member of the Royal Society of Edinburgh and occupied the honorary position of Lord Rector of the University of Glasgow. Following a long bout of illness, Smith passed away in July of 1790 in the city of Edinburgh, where he is buried.

"Smith was a polymath", over the span of his career he developed a vast number of ideas and theories relating to the fields of economics, politics, theology, ethics and law (Kim, 2012: 799). However, his modern reputation appears to be largely built upon just three, small words: the 'invisible hand'. This thesis *does not* attempt to offer a 'correct' reading of the 'invisible hand', it

does not even assume that such a reading exists. Nonetheless, to contextualise the discussions within the thesis, a brief overview of Smith's uses of the 'invisible hand' is required. Smith employs the phrase a total of three times within his writings. The first occurrence of the 'invisible hand' metaphor is found in *The Principles Which Lead and Direct Philosophical Enquiries; Illustrated by the History of Astronomy* (*HoA*), an essay written before 1758 and published posthumously in 1795 by the principal publishers of *The Theory of Moral Sentiments* (*TMS)* and *The Wealth of Nations* (*WON)*:

> *Fire burns, and water refreshes; heavy bodies descend and lighter substances fly upwards, by the necessity of their own nature; nor was the invisible hand of Jupiter ever apprehended to be employed in those matters. But thunder and lightning, storms and sunshine, those more irregular events, were ascribed to his favour, or his anger.*
>
> Smith, HoA, III, II

Here, the phrase 'invisible hand' appears to be employed as a tool to explain and account for irregularities in nature such as lightning, meteors and storms. This particular use of the phrase is commonly regarded as being distinct from those found in Smith's better-known *WON* and *TMS*. Consequently, and with the notable exception of the work of Alec Macfie (1971), there is a definite lack of scholarly engagement with this instance of the 'invisible hand.'

In contrast, the 'invisible hands' within both *WON* and *TMS* are commonly understood as performing the function of preserving order. Smith's second use of the phrase is to be found in *TMS,* first published in 1759:

> *The rich only select from the heap what is most precious and agreeable […] they divide with the poor the produce of all their improvements. They are led by an invisible hand to make nearly the same distribution of the necessaries of life, which would have been made, had the earth been divided into equal portions among all its inhabitants, and thus without intending it, without knowing it, advance the interest of the society, and afford means to the multiplication of the species.*
>
> Smith, TMS, VII, IV

And the third, most well-known and most quoted 'invisible hand' appears in *WON* published in 1776 and today regarded as Smith's *magnum opus*:

> *By preferring the support of domestic to that of foreign industry, he intends only his own security; and by directing that industry in such a manner as its produce may be of the greatest value, he intends only his own gain, and he is in*

> *this, as in many other cases, led by an invisible hand to promote an end which was no part of his intention. Nor is it always the worse for the society that it was no part of it. By pursuing his own interest he frequently promotes that of the society more effectually than when he really intends to promote it.*
>
> Smith, 1776, WON, IV, II

Readings of the 'invisible hand' form the example around which this thesis is centred, this selection was the result of a number of different observations, outlined in the following paragraphs. Together, these observations demonstrate that analysis of the 'invisible hand' is best placed to enable an exploration of 'Epistemologies of Reading'.

Beginning with the most practical observations, the 'invisible hand' was first mentioned by Smith in 1759, over 260 years ago. There exists therefore a substantial window in which various individuals have read the phrase, evidenced by the fact I have identified almost 2000 readings of the phrase held on the JSTOR database. Such a high number of readings provides the variety required to demonstrate that different readings are underpinned by different epistemologies. Furthermore, we know from the writings of Thomas Kuhn (1962) that there are long periods of conceptual continuity within scientific communities that are then disrupted by paradigm shifts that change the fundamental questions and direction of the community. We might apply such thinking to readings of the 'invisible hand', as shall be demonstrated within the thesis certain readings of the phrase tend to enjoy a period of continuity and stability before being disrupted and replaced by new readings. For example, the 'Market Mechanism' reading of the mid 20th century was disrupted and challenged by the 'Contemporary Revisionist' reading of the late 20th and 21st century. The 260 years of readings of the 'invisible hand' provides an ample number of shifts in reading traditions, or paradigms, enabling me to adequately explore how different readings are epistemologically conditioned. A final practical reason for my selection of the 'invisible hand' was my familiarity with both Smith and readings of the 'invisible hand' due to previous research completed during my undergraduate and MA.

In addition to these practical considerations, the 'invisible hand's' prominence, the controversy surrounding the different readings of the phrase in addition to the political implications of certain readings are each observations that demonstrate the appropriateness of this example. Firstly, the 'invisible hand' is a well-established and prominent phrase. It features not only in academic publications but can also often be found in newspapers articles and headlines, political speeches and even in the tweets of Donald Trump. Anecdotally, over the last three years, I have found that

during conversations with friends and family the 'invisible hand' and its link to Adam Smith is well-known, even amongst those with no interest or background in history, politics or economics. It can be said, therefore, that the phrase has taken on a life of its own, above and greater than what Smith could have ever intended for it. In fact, J.P. Rollert (2012) goes as far as to claim that "few phrases in Western Philosophy have embedded themselves so deeply in the vernacular as Smith's invisible hand." One consequence of this, is that the famous phrase is often harked back to by politicians or political figures to justify certain policies or political positions. We see this in the writings of Milton Friedman (2002 [1962]) who invokes the phrase to justify his position of anti-interventionism and the pursuit of profit. Likewise, Donald Trump (2012) uses the phrase in a tweet to justify the supremacy of the economic market as a means of organization. In a speech given in February 2020, Boris Johnson (2020) invoked both Smith and the 'invisible hand' to provide historical depth to his praise for free trade and his call for fewer trade barriers as the UK leaves the EU. We see a somewhat different take from former Prime Minister Gordon Brown (2010), who states in a Guardian article that he has "long been fascinated by Adam Smith […] precisely because he recognized that the invisible hand of the market had to be accompanied by the helping hand of society […] markets need morals". These are examples of public figures somewhat arbitrarily grounding particular political policies or views within the 'invisible hand' to provide a historical justification and lineage for them. Such engagements with the 'invisible hand' might be considered to be arrogations, rather than engaged readings on the basis that there is no evidence of a genuine consultation of Smith's work. This phenomenon of certain ideas and policies being grounded in the 'invisible hand' means that the unpacking of this particular illustrative example has a practical-political dimension. Despite the 'invisible hand' being well-known and widely invoked, "it must be one of the most used yet least understood phrases in contemporary ethical discourse" (Oslington, 2011: 436). It is this combination of the prominence of the phrase, its practical-political implications along with the existence of, and controversy surrounding, numerous different readings and invocations of it, that mean it is an insightful and thought-provoking example through which I can explore 'Epistemologies of Reading'.

1.5 Contributions

1.5.1 Intellectual History

The primary contribution of the thesis is the identification of 'Epistemologies of Reading', understood as, the phenomenon of an individual's conception of knowledge – what they believe

constitutes valid knowledge and how this can be attained and measured, in other words, their epistemology – impacting upon their reading process. As a consequence of this finding, I argue that to adequately and comprehensively understand an individual's reading of a historical figure or their work one must incorporate an epistemological analysis, understanding it not as an independent activity but rather as being epistemologically conditioned. Thus the thesis 'speaks to' and contributes towards a body of literature that is primarily concerned with the process of reading historical figures and their works, discussing what conditions these readings, how readings might be studied and how they might be evaluated: intellectual history. The following section shall more closely discuss *how* I contribute toward this body of literature.

Intellectual history is a diverse, vague and ambiguous body of work (Bouwsma, 1981: 279). It might be described as the study of the history of human thought, or the historical analysis of people, concepts or ideas and those who study it may be considered "eavesdroppers upon the conversations of the past" (Ibid.). What appears to connect the various definitions of the field is "the concern with meaning […] studies in the construction of meaning" (Ibid: 283). It is this broad and simple understanding of the field that I adopt here; a body of literature concerned with how meaning has been produced in the past and how that meaning shifts through time. Due to this focus, intellectual historians, perhaps more so than most other academic disciplines, are preoccupied with questions of method (Krieger, 1973: 499). They might ask such questions as, how might we study readings and receptions of historical thinkers or ideas? How might we best evaluate these different readings? The continued liveliness of the methodological branch of intellectual history has been fuelled by the fact that the discipline "can claim today no widespread agreement about how to conduct their work" (McMahon & Moy, 2014: 2). It is to this branch of intellectual history, that centres on the question of method, that my thesis contributes.

O'Neill (2012) helpfully distinguishes between four key approaches to the study of historical ideas and thought. He identifies the extremes of the approach with the work of Leo Strauss and Jacques Derrida. The Straussian tradition claims that "foundationally objective truth [is] inherent (but hidden) in texts" (O'Neill, 2012: 588). Such an approach echoes the claims of the literary theorists known as the New Critics. New Criticism, the dominant literary paradigm of the mid 20th century, privileged the role of the text, believing that only through close and detailed analysis of a text (and only the text) can meaning be arrived at (Cain, 1982 :1102). An assumption underpinning this approach is that the meaning exists within the text fully formed, waiting to be discovered by the reader, as stated by Leo Strauss (1988). The implications of such an

understanding of text, reader and meaning are the methodological privileging of the text and the relative de-emphasising of the role of the reader in the production of meaning. In contrast, the Derridean "deconstructive notion" is based on the claim that there can be no single correct interpretation of a text (O'Neill, 2012: 589). Such a claim essentially invalidates questions relating to the appropriate method by which to study historical predecessors. The fundamental assumptions of both of these 'extreme' approaches mean they are unamenable and entirely distinct from the discussions within this thesis. As I outline and justify further in my 'Approach to Research' chapter, I make two key assumptions. Firstly, that the reader is internal to the text that they study, that they unconsciously and unavoidably 'read themselves in' to the text they are reading. Secondly, that different readings of a historical text can be evaluated when the criteria for evaluation is made explicit. Within this thesis, readings are evaluated against the standard of 'comprehensiveness', which is grounded within – and built upon – the work of Quentin Skinner. That is not to say that one can determine what the 'correct' reading of a text may be, however, it can be deemed to be more or less comprehensive. These two key assumptions mean the discussions within the thesis are incompatible with the work of foundationalists like Strauss, who do not acknowledge the significant role of the reader within the process of reading and with poststructuralists such as Derrida who believe that readings cannot be evaluated against certain standards. However, my discussions do resonate, and contribute to, the 'middle ground' of intellectual history (O'Neill, 2012): The Cambridge School – identified most firmly with the work of Quentin Skinner - in addition to the *Logic of the History of Ideas* (1999), conceived and articulated by Mark Bevir. Both of these scholars share a similar understanding of the relationship between text and reader, an understanding that resonates with a particular branch of literary theory established by Louise Rosenblatt. Rosenblatt is best known for her transactional theory of reader response, which is commonly understood to sit in contrast with the position of New Criticism (Rejan, 2017: 10). This approach understands reading as "a transaction, a two-way process, involving a reader and a text at a particular time under particular circumstances" (Rosenblatt, 1982: 268). It is not a privileging of the reader over the text but rather a focus on "the reciprocal interplay of reader and text" (Ibid: 276) and an appreciation that the meaning of a text is a result of this relationship and thus is subject to change. The reader and text are not distinct entities but rather exist in relation to one another, conditioning each other. Rosenblatt protects herself from charges of relativism by explaining we are able to adopt a concept of 'warranted assertibility' to assess different literary interpretations:

> *We must indeed forego the wish for a single 'correct' or absolute meaning for each text. If we agree on criteria for validity of interpretation, however, we can decide on the most defensible interpretation or interpretations. Of course, this leaves open the possibility of equally valid alternative interpretations as well as of alternative criteria for validity of interpretations. Such an approach enables us to present a sophisticated understanding of the openness and the constraints of language to our students without abnegating the possibility of responsible reading of texts.*
>
> Rosenblatt, 1993: 382

It is this shared understanding of the reading process as one of transaction between text and reader that connects the work of Skinner and Bevir. Beginning with Skinner, and followed by Bevir, I shall provide a brief overview of his approach to the study of historical texts before specifying how my research contributes towards it.[1]

As a member of the Cambridge School, Quentin Skinner "offered a new version of intellectual history itself […] that challenged all traditional ways of doing intellectual history" (Grafton, 2006: 4). Skinner placed substantial significance upon adequately thinking about and articulating the appropriate method for intellectual history, claiming "correct method is a necessary condition of good practice" and likewise that "bad intellectual history results from bad or intellectually incoherent method" (Minogue, 1981: 534). And Skinner's extensive reflections upon method initiated a "contextualist revolution" (Armitage, 2012: 498) characterised by the belief that "nothing had been written *sub specie aeternitatis,* nothing had an essence, and nothing remained the same" (Alexander, 2016: 372). He is primarily concerned with how one might best read a text; he asks: "what are the appropriate procedures to adopt in the attempt to arrive at an understanding of the work?" (Skinner, 1969:3) and "whether it is possible to lay down any general rules about how to interpret a literary text" (Skinner, 1972: 393). The goal, according to Skinner, is "'getting at the message' of a text, and of decoding and making explicit its meaning,

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[1] The work of Quentin Skinner is thoroughly elaborated upon in the later sections of my thesis in relation to its role as both the normative ideal that I adhere to within my own reading practice as well as the standard against which I assess readings of 'the invisible hand '(see Chapter Two, Section 2.4.3 and Chapter Ten, Section 10.3). My discussion of Skinner in this section has the sole purpose of establishing my contribution to his approach.

such that the 'best reading,' […] can be attained" (Skinner, 1972:394). To achieve such a decoding and 'getting at the message', Skinner states that one must undertake a close and sensitive reading of the text. However, Skinner explicitly and forcefully rejects the narrow focus of the New Critics who believe that the meaning of a text is accessible through an engagement with the text alone. Rather, Skinner states that one must also seek to understand a writer's motives and intentions in order to achieve a full understanding of their work, specifically:

> *in the case of a writer's illocutionary intentions (what he may have been intending to do simply in writing in a certain way), their recovery […] will in fact be essential to undertake if the critic's aim is to understand 'the meaning' of the writer's corresponding works*
>
> Skinner, 1972: 403

Uncovering the writer's illocutionary intentions is one of the tasks faced by the reader – it enables the reader to access "what the writer may have meant by using that particular phrase" (Ibid: 397). In other words, "to know what a writer meant by a particular work is to know what his primary intentions were in writing it" (Ibid: 404).Thus, Skinner's argument sits in direct contrast to the New Critics as he claims that to "be able to interpret the meaning of a text, it is necessary to consider facts other than the text itself", to view the text not as an independent and autonomous object but rather as a production of an author (Ibid: 408).

Skinner goes on to specify how one might "recover such intentions" (Ibid: 406): firstly, by looking at the "prevailing conventions governing the treatment of the issues of themes with which that text is concerned" (Ibid: 406) and secondly by focusing "on the writer's mental world" (Ibid: 407). The prevailing conventions governing a theme might be retrieved by understanding the context within which the author was writing, what was possible for them to be commenting on, what set of concepts were available to them. For example, to determine whether Adam Smith's intention was to comment on the capitalist system, one must first determine whether the concept of capitalism was available to Smith, which it was not (Rollert, 2012). A second way to determine a writer's intentions and thus to increase understanding of their work, is to access their "mental world", this means understanding what beliefs they held and thus being able to better understand what their intentions may be in writing. For example, to know that Smith believed "how selfish soever man may be supposed, there are evidently some principles in his nature, which interest him in the fortune of others, and render their happiness necessary to him" (Smith, *TMS*, 1.1.1) may limit the intentions we may ascribe to him, specifically intentions relating to the

justification of solely self-interested actions. It is this specific aspect of Skinner's work to which I contribute. To better access a writer's mental world, understand their intentions in writing and thus be able to better understand the meaning of their work – one must acknowledge the decisive role played by their epistemological commitments in this process. This is because an individual's conception of knowledge, their beliefs relating to how knowledge can be attained, measured and proven to be valid, represent a significant element of their 'mental world' and may, in fact, delimit the beliefs that we can ascribe to them. In other words, to know their "mental world" requires us to know their epistemological commitments. Therefore, my findings within the thesis refines and specifies this aspect of Skinner's approach.

Mark Bevir's discussion of the methodological rules applied in intellectual history shares many similarities with the work of Skinner. An overview of his key tenets will serve to clarify the way in which this thesis can be considered a contribution to his approach. Bevir's 1999 book *The Logic of History of Ideas* is an "ambitious, controversial, and tightly woven argument in favor of a particular approach to the study of the past" (O'Neill, 2012: 583). Bevir summarises his key objective, to:

> *answer questions such as: what is a meaning? What constitutes objective knowledge of the past? What are beliefs and traditions? How can we explain why people believed what they did? How do concepts change over time?*
>
> Bevir, 2000: 295

Bevir identifies as a "postfoundationalist" and therefore does not believe "in given facts, or a receptivity to the past, uninformed by prior theoretical commitments" (Bevir, 2000: 296). Such an understanding of the relationship between text and reader informs the key aspects of his approach. Bevir (1999: 53-54), equates meaning with individual viewpoints, unmooring "the historical interpretation of a text from any necessary connection to its *author's* purposes, and opens the door for successive generations of readers to transform the text's historical meaning." He achieves this in three, separate steps: identifying meaning as hermeneutic; equating hermeneutic meaning with weak intentions and finally, equating weak intentions with individual viewpoints. He begins this three-step process by stating that intellectual historians need only concern themselves with accessing "hermeneutic meaning", that is "the meaning of an utterance to a reader", or as O'Neill (2012: 585) surmises, we must "discuss the meaning of particular texts, for particular people, at particular times; texts do not mean anything in and of themselves." Bevir does identify other forms of meaning – linguistic and semantic – but ultimately argues that

each of these can be reduced to hermeneutic meaning (Bevir, 1999:54). Bevir then equates this hermeneutic meaning with intentionality, what he terms "weak intentions"; these "need not be conscious [as] they are embodied in the relevant utterance rather than being a prior commitment to make that utterance" (Ibid: 128). Thus they differ from "strong intentions" as discussed by Skinner that are generally understood to be conscious and a result of prior design of the author. These weak intentions are then defined by Bevir as individual viewpoints. 'Viewpoints' of an author "consist of the beliefs they hope to express by saying what they are saying", in other words, we "take individual viewpoints to be the beliefs authors express in their utterances" (Ibid: 129). The beliefs we express as individuals "always consist solely of attempts to reflect the world" (Ibid: 131-132). This differentiates them from 'pro-attitudes' or 'motives', which incorporate "preferences for imaginary worlds" (Ibid: 132). Bevir does acknowledge that often our pro-attitudes or preferences can coincide with our expressed beliefs, however, these pro-attitudes sit outside of the text and thus cannot provide access to hermeneutic meaning (Ibid: 172).

Bevir provides extensive reflections upon the concept of meaning. However, with regard to the question of *how* one might go about uncovering meaning, he states that "there cannot be a logic of discovery for the history of ideas – no method can be a prerequisite of good history" (Bevir, 1999: 82). Essentially he argues that arriving at objective knowledge of the past cannot be achieved only through one specific method or, in other words, "the particular process by which a historian comes to believe in the historical existence of certain objects has no philosophical significance" (Ibid: 87). We should judge intellectual historians by the result of their endeavours, not the methods they used to get there. This contrasts significantly with Skinner's belief that "correct method is a necessary condition of good practice" (Minogue,1981: 534). Despite this claim, Bevir does outline two means by which an intellectual historian may adequately access historical ideas. Firstly, Bevir (1999: 175) identifies that, when assessing the validity of an author's understanding of a piece of work, such validity is based upon the "adequacy of the explanation they would give for its having that meaning". Such an adequate explanation must have both a synchronic and a diachronic dimension. It is the synchronic dimension of explanation toward which this thesis contributes. To explain why someone held a particular belief, we must locate it "in the context of his web of beliefs" (Ibid: 192) as to do so is to "fill out its content and thus to aid our understanding of it [the belief]" (Ibid: 199). Identifying the connection between the belief in question and the others held by the author, serves to increase understanding not only

of the belief itself but of the author's 'web of beliefs' as a whole[2]. Bevir acknowledges that such a 'web of belief' is produced against the background of a particular intellectual tradition and through an individual's participation in this particular intellectual tradition. However, he privileges the agency of the individual by stating that "agents […] can extend, modify or even reject the traditions that provided the background to the initial webs of belief" (Ibid: 199). So, an intellectual historian "can explain why someone held a belief by placing it in the context of his whole web of beliefs" and additionally "can begin to explain why he held that web of belief by placing it in the context of the tradition from which he set out". However, they must be aware that the tradition does not play a causal or conditional role (Ibid: 214). It is this specific aspect of Bevir's approach to which this thesis contributes. To access and understand an individual belief, it must be placed within a web of beliefs – those to which it is related. I make the claim that an author's epistemology is one aspect or feature of their entire web of beliefs. Therefore, being able to access and analyse an individual's epistemological framework is an essential step to knowing their web of beliefs as a whole and thus, according to Bevir's logic, an essential step in accessing the meaning of the individual belief in question.

By exploring the role epistemological frameworks play in the process of reading, and thus the way in which they impact upon the transaction between text and reader, I contribute towards discussions about the methods of intellectual history. More specifically, I refine and extend the way in which we might access an author's 'mental world' or 'web of beliefs' as a way of accessing the meaning of their text. Methodological discussions relating to the way in which we might best read historical thinkers, examine the reception of historical thinkers through time or evaluate different readings are all improved through the knowledge of the role played by epistemology in these processes.

1.5.2 Contemporary Revisionist Literature

My decision to research 'Epistemologies of Reading' by employing the example of readings of Smith's 'invisible hand', means that this thesis makes subsequent contributions to the literature on Smith, specifically the body of literature referred to as the 'contemporary revisionist'. The plethora of, and controversy surrounding, readings of the 'invisible hand' as well as Smith's work more generally has given rise to this body of literature that examines, critiques and revises

[2] We see here a parallel between Bevir's discussion and Mannheim's method of sociological imputation discussed in Chapter Two, Section 2.4.1.

various interpretations of Smith and the phrase through time. For example, these scholars may critique dominant interpretations of Smith; attempt to uncover a previously 'hidden' element of his work or, alternatively, offer a re-reading of a particular aspect of his oeuvre. It is on the basis of these shared revisionist goals that these thinkers are united as one coherent body of literature. There is a clear overlap between the goal of these scholars and the field of intellectual history, namely the focus on a particular thinker or idea – in this case Smith and the 'invisible hand' - and the way in which receptions of these have changed through time. Thus, I conceptualise the contemporary revisionist work on Smith and the 'invisible hand' as being a specific, narrow and focused field of research existing within, and relevant to, the broader concerns of intellectual history. I have adopted the phrase 'contemporary revisionist' from Smithian scholar, Glory Liu (2020:1066) who uses it classify those that seek to "reconstruct Smith" and understand him to be "not merely an economist". Liu (Ibid: 1066-1067) is sceptical of any claim that there is a "true *way* of reading Smith" or of the existence of an "inherent stability or rational truth within Smith's works" but she does endorse the revisionist goal of questioning "whether certain interpretations were reflective of Smith's original intentions and meaning". Although this phrase 'contemporary revisionist' is neither well-established nor well-known in the literature on Smith, the phenomenon of a new and growing body of critical, revisionist literature is widely acknowledged. As early as 1978, Horst Claus Recktenwald (1978: 56-57) proclaimed a "Smith *renaissance*", a "new era of Smithian studies" which was, in part, characterised by comprehensive engagement with Smith's works and a focus on the "social and historical system" underpinning his economic theory. More recently, Aspromourgos (2011: 81) has also identified a recent renewed interest in Smith that can be characterised as a "more holistic approach to interpreting his thought". We see this conversation continued by Sen (2011: 258) who discusses the "protests" of serious Smith scholars against the "standard understanding of Smith […] in mainstream economic textbooks and in daily newspapers". Similarly, Matthew Watson (2018: 37) refers to "a cottage industry of authors attempting to detail 'what Adam Smith really meant.'" He also acknowledges a "recent resurgence" in Smithian studies which is made up of "the work of two generations of scholar who have learnt to read Smith through a much broader lens than the invisible hand metaphor" (Watson, 2013:6). In fact, these new, revisionist scholars represent "the new orthodoxy of

specialist Smith studies scholars" (Ibid.). My use of the term 'contemporary revisionist' resonates with these discussions.[3]

Within the contemporary revisionist scholarship there are those that discuss readings of Smith in a general sense. For example, Jerry Evensky (2005a: 129) offers a re-reading of Smith that prioritises his "moral philosophical enterprise" as set out in *TMS*. In his article 'Rethinking Das Adam Smith Problem', Richard Teichgraeber III (1981) appraises and critiques the common understanding of Smith as having two distinct views of human-nature. There are, also, those within this body of literature that are specifically interested in the 'invisible hand', including Gavin Kennedy (2009, 2017), William Grampp (2000) and Warren J Samuels (2011). A brief summary of the position of these three revisionist scholars serves to expand upon my research problematic in addition to clarifying my contribution to this literature. Specifically, I shall provide an overview of how each selected author 'speaks to' my central research themes: researching types of readings; discussing what has conditioned such readings and, evaluating said readings.

Contemporary revisionist, Gavin Kennedy (2009), wrote extensively about the 'invisible hand', and states his research agenda explicitly:

> *the metaphor of 'an invisible hand' is now ubiquitous in almost all economics textbooks (miss- teaching generations of students), in many articles in peer-reviewed journals, in campus lectures, policy statements, political debates, mainstream media, and among scores of economic Blogs across the global internet. My current research is about the making of those myths from their early beginnings in the 20th century up to today's treatment of the "invisible hand" […] what might be the main causes of its popularity, how it developed into a "Panglossian" error of perception, why it is mythical and why the*

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[3] For clarity, I must note that the contemporary revisionist literature assumes a number of different roles within this thesis: firstly, the revisionist scholars were the first to articulate the research problematic which I address, namely the existence of a plethora of different readings of the 'invisible hand'. Secondly, as discussed further in Chapter Nine, the revisionist readings are also one of the types of reading of the 'invisible hand' that I examine, uncovering its associated 'Epistemology of Reading'. And thirdly, and as discussed in the following paragraphs, the arguments and findings contained within this thesis are a contribution to this body of literature.

popular belief that it is related to anything written by Adam Smith endures even when the evidence to the contrary is so strong.

Kennedy, 2009, 8th October

His drive to provide an 'Authentic Account of Smith' - as he named his 2017 book – is built upon a critique of modern ideas about the work of Smith and specifically the 'invisible hand'. In short, Kennedy argues that contrary to modern receptions of the phrase, Smith "had no 'theory' of invisible hands" and that for him it was simply a literary metaphor, employed for its "expository purposes" (Kennedy, 2009: 254). He is specifically critical of modern, economic readings of the phrase on the basis that they cannot be supported by Smith's texts. Thus, we see in Kennedy's work a significant and thorough appraisal of one type of reading of the 'invisible hand', what I refer to in this thesis as the 'Market Mechanism' type. Kennedy evaluates this type of reading by comparing it to his own close and detailed analysis of Smith's writings. Kennedy does acknowledge alternative types of reading of the phrase including the 'Invisible-Hand Explanation' reading adopted by Edna Ullman Margalit and Robert Nozick. However, this acknowledgement is brief and limited and he remains focused on the 'Market Mechanism' type. Furthermore, whilst Kennedy provides a convincing critique of this particular type of reading, he does not allude to or explore the epistemological factors that may have conditioned or produced such a reading.

We see in the work of William Grampp (2000) a more comprehensive discussion of readings of the 'invisible hand', particularly in his aptly named article 'What Did Smith Mean by the Invisible Hand?'. Here, Grampp discusses and critiques nine forms of reading before presenting his own interpretation based on his consideration of Smith's writings. While Grampp does discuss a wide variety of readings – ranging from God to the price mechanism - all nine of these readings are elaborated in the first section of a journal article and thus awarded less space than I am able to dedicate in this thesis. Grampp does allude to the question of why a modern scholar might invoke the 'invisible hand': "Smith earned his reputation as a free trader not by what he said, but by the wishful thinking of later generations which wanted justification for their behaviour" (Grampp, 1948: 716). We see here a suggestion that these invocations may be explained by acknowledging the self-interest of the readers and their desire to find a historical justification for their work. Grampp therefore provides a comprehensive and evaluative discussion of the types of reading in addition to a brief allusion to the question of why a modern scholar would invoke the 'invisible hand'. However, his discussion remains general, he does not

specify what aspects or factors might condition or explain particular readings of the 'invisible hand'. There is, therefore, no reflection upon how a reader's epistemological framework or commitments might impact or shape their reading.

Of the three authors discussed, Warren J Samuels provides the most extensive account of readings of the 'invisible hand'. In his 300-page book, *Erasing the Invisible Hand: Essays on an Elusive and Misused Concept in Economics,* Samuels presents the results of 27 years of studying the phrase. The book is the result of a:

> *long-standing appreciation that the concept of the invisible hand was widely considered to be foundational for economics; that, in part, the invisible hand was identified differently by different people and, indeed, that every aspect of its use has meant different things to different people, and that, in part, the notion of an invisible hand was downright strange, especially for an academic, scholarly discipline whose members reckon themselves serious scientists.*
>
> Samuels, 2011: xv

Samuels differentiates between engagements with the 'invisible hand' both according to identity and function, in other words, he acknowledges different understandings of the 'invisible hand' as well as the different ways in which it has been invoked. Despite the nuance and complexity of his analysis, however, Samuels makes a number of generalising and stark statements in relation to why different readings of the 'invisible hand' exist. Samuels claims that in all of its iterations the term "serves the ideology and political purpose of obfuscating the power structure of society" (Samuels, 2011: 281). Thus each invocation of the 'invisible hand' can be explained by its role as "psychic balm and social control" (Ibid: xvii). He acknowledges the abstractness of these terms and goes on to clarify that the term is invoked in order to make "one's agenda for government to appear to be at one with the nature of things" (Ibid: 282). By removing the frame of reference from the real world and instead making it mystical and "even magical", the 'invisible hand' acts to obfuscate the role of power in the legal-economic system and thus it acts as "an instrument of politicization and social control" (Ibid: 282-283). So, we can see in Samuels work both a discussion of the multitude of readings of the 'invisible hand' and an effort to unpack the reasons underpinning these readings and invocations. However, unlike the comprehensiveness with which he covers the variety of identities and functions of the phrase, Samuels' discussion of the factors underpinning these readings are contrastingly general and broad. He does not, therefore, adequately or comprehensively account for the difference and nuance between the various different types of reading, specifically what has produced them.

Like Grampp, Kennedy and Samuels I am intrigued by the plethora of different readings of the 'invisible hand'. In light of this research problematic these authors, each to varying degrees, examine different types of reading of the phrase, question why such readings have occurred and evaluate them. I contribute to this body of literature by undertaking the following tasks: firstly, I offer a comprehensive overview and analysis of readings of the 'invisible hand' from Smith's first publication in 1759 until the present day; secondly, I explore the underpinning epistemological commitments associated with each type of reading, and finally, I evaluate these readings in a theoretically-grounded manner by drawing upon the work of Quentin Skinner.

1.6 Chapter Overview

To answer my central research questions, my thesis proceeds as follows. I begin by providing an overview of my 'Approach to Research'; in this chapter, I start with a self-reflective discussion relating to my own epistemological assumptions and how they underpin and condition my research project as a whole. I then outline and justify my theoretical framework as made up from a synthesis of the work of Mannheim, Koselleck and Skinner. To do so, I demonstrate that Mannheim's examination of the existential dimension of knowledge produces a theoretical 'space' for understanding the process of reading to be epistemologically-bound. Koselleck's *Conceptual History* is shown to provide a theoretical grounding for my focus on the 'invisible hand' and the understanding of shifts in this concept's meaning as being indicative of wider, epistemological changes. Skinner's work provides the standard for my own approach to reading in addition to acting as a yardstick for the evaluation of the seven types of reading of the 'invisible hand'. Having established my theoretical framework, I move to discuss and justify my three-pronged methodological approach. Archival research, a JSTOR database search in conjunction with the cross-referencing of secondary literature enables me to find and identify types of reading of the 'invisible hand'. Adopting an intertextual, symptomatic approach allows me to uncover the epistemological commitments that underpin these readings and, finally, producing Skinnerian standards of interpretation permits me to then evaluate these readings and their associated epistemologies.

What follows are seven analysis chapters, one for each ideal-type reading of the 'invisible hand' and each with the objective of demonstrating the conditioning effects of epistemological

commitments on the process of reading[4]. I begin by looking at the 'Transcendental' Reading, those that understand the 'invisible hand' as an other-worldly, spiritual mechanism or even explicitly as God. Drawing on the works of Jacob Viner and Alec Macfie, I demonstrate that this form of reading – that can be identified in both the work of Smith's contemporaries as well as in that of modern-day Smithian scholars– is underpinned by the epistemological objective to extract knowledge from Smith in a historically-contextualising and 'objective' manner.

In Chapter Four, I move to discuss the 'English Historical School' reading, identified with the English Historical School scholars, Cliffe Leslie and John Kells Ingram, writing in the late 18th century. This school reads the 'invisible hand' as a symbol of Smith's deductive approach to research and, on this basis, is highly critical of it. This type of reading is of note as it constitutes the first sustained academic discussion of the 'invisible hand'. Engagement with the work of Leslie and Ingram illustrates that this reading is conditioned by a significant epistemological commitment to an inductive, historical and comprehensive research process.

Chapter Five is centred around the 'Market Mechanism' reading, represented by the work of Paul Samuelson and Ronald Coase. Both authors read the 'invisible hand' as an element of the modern economic market system: for Coase it is the pricing system and for Samuelson it is perfect competition. Such readings are shown to be dominant in both academic discourse as well as amongst journalists and politicians. The chapter demonstrates that Samuelson's anachronistic reading of the 'invisible hand' is underpinned by a belief in the conceptual unity of economics as well as a commitment to the mathematization of written theory. Coase's reading of the 'invisible hand' as the pricing system is one of praise for Smith combined with a critical discussion of the modern tendency to focus exclusively on this single element of the economic system. Such a reading is underpinned by Coase's epistemological commitment to the explanatory capacity of economic theories – in Smith's time the explanatory capacity of the 'invisible hand' was high and thus deserving of Coase's praise. However, such a narrow focus in the context of the complexities of the modern economic system offers little in the way of explanation and thus Coase is critical of it.

[4]To preview my key findings from each of these seven analysis chapters, please see Table 1 in Chapter Ten, Section 10.2.

The work of Milton Friedman is used in Chapter Six to represent the 'Defence of Selfishness' type of reading. Like Coase and Samuelson, Friedman begins with a 'Market Mechanism' reading. However, his reading differs on the basis that he adds a moral corollary to his argument: because of the allocative properties of the 'invisible hand' businesses are obligated to pursue their self-interest and maximise profits, Friedman mounts a defence of selfishness. Friedman's reading is underpinned by his belief that economic knowledge should be free from ethical considerations; judged by its predictive capacity and, ultimately, the claim that the assumptions underpinning economic theories need not be realistic.

Readings of the 'invisible hand' as an 'Invisible-Hand Explanation' form the focus of Chapter Seven. Here, the work of Robert Nozick and Edna Ullman Margalit is employed to demonstrate that their invocation of the 'invisible hand' is an epistemological act – a claim about how one might best explain the emergence and persistence of social patterns and outcomes. Such a reading is impacted by Nozick's and Margalit's belief that invisible-hand processes are naturally occurring and that their strength lies not in their accuracy but in their form of explanation.

Similarly, Friedrich von Hayek, as discussed in Chapter Eight, invokes the 'invisible hand' in an epistemological capacity – as the origin of his theory of spontaneous order. This invocation is shaped by three further epistemological claims: that knowledge is dispersed, incomplete and fragmented; that rapid communication of knowledge is required to enable an effective economic order and that such communication is achieved through the process of spontaneous order, through the function of the 'invisible hand'.

In my final analysis chapter, Chapter Nine, I address readings of the 'invisible hand' as set out by the contemporary revisionist Smithian scholars. The work of William Grampp and Gavin Kennedy is employed as representative of this type – these revisionist scholars share an approach to reading Smith that is characterised by a commitment to critiquing mainstream, dominant interpretations of the 'invisible hand' before outlining their own, alternative reading. Both authors commit to research that is formed on the basis of a 'close reading' and they share an aversion to those that abstract, generalise or are ahistorical. Furthermore, Kennedy places significant emphasis on the need for knowledge of Smith to acquired in a historically-situated and intertextual manner.

In each of these seven analysis chapters, my objective is to report upon the reading of the 'invisible hand' and explore the 'Epistemologies of Reading' of its associated representative

authors. In my final substantial chapter, Chapter Ten, I move from 'reporting' to 'evaluating'. I begin by making the case for such an evaluation, namely the avoidance of a disengaged pluralism of readings characterised by the proliferation of readings in addition to their relativisation. To avoid such relativisation, I re-introduce the seven Skinnerian standards of reading and assess the 'comprehensiveness' of the readings by determining their adherence to these standards. The rest of the chapter is structured as a 'Skinnerian analysis', each reading and its associated epistemological framework is discussed according to its adherence with these Skinnerian standards. I conclude this chapter by reflecting upon the 'Epistemologies of Reading' that can be shown to result in a high level of adherence to the Skinnerian standards. Thus, this concluding analysis chapter builds upon my preceding research findings by not only acknowledging the impact of epistemology on reading but by determining which epistemological commitments underpin the most, and least, comprehensive readings of the 'invisible hand'.

Chapter 2. Approach to Research

2.1 Introduction

In this chapter I examine and justify my three-pronged approach to the research problem: my positionality and epistemological framework; my chosen research methods and, my conceptual framework. For the purpose of clarity these three elements are examined separately. However, as shall become clear throughout the course of the chapter, they are interrelated and ultimately my research methods are underpinned by both my epistemological and conceptual frameworks. I begin the chapter by acknowledging my own positionality as a researcher, structured around two discussions: an examination of my key assumptions, including my normative position, and a brief reflection of my own epistemological commitments. I then explain and justify my chosen research methods and demonstrate how I have traced types of readings of Smith; examined their associated epistemological frameworks and then evaluated them. Finally, I outline my conceptual framework, drawing from the work of Koselleck, Mannheim and Skinner.

2.2 Positionality

2.2.1 Underlying Assumptions

In an attempt to adhere to a self-reflective research practice, I here reflect upon my own underlying assumptions. I begin by reflecting on my assumptions relating to the relationship between epistemology and reading; secondly, I discuss my assumptions relating to epistemology and methodology and finally, I reflect on my normative position.

Within the thesis I will show, across seven analysis chapters, that reading and epistemological commitments are correlated. Central to this argument is a specific assumption, that the processes of reading and writing are neither neutral nor value-free and that "researchers are necessarily internal to their objects of analysis" (Jackson, 2011: 157). I assume that readers cannot simply 'remove' or disregard their values, their subjectivities or epistemological commitments and as a consequence of this, their entire research process – including their readings – are impacted by such factors. On the basis of this assumption, this thesis seeks to understand one of the ways in which researchers are internal to their objects of analysis, namely the impact of their epistemology on their act of reading.

Secondly, I make an assumption with regard to the relationship between an individual's methodology and epistemology. As shall be seen in each of my analysis chapters, one of the ways in which I research an author's epistemological framework is by symptomatically reading selected pieces of their work [see Chapter Two, Section 2.3.3 for details on symptomatic reading]. These pieces of work are selected on the basis that they will provide the most insight into the author's epistemological framework. Few of the representative authors explicitly reflect upon their own epistemological framework (with the notable exception of Paul Samuelson in his article 'My Life Philosophy') and thus it is often a methodological piece of writing that is selected to be symptomatically read. Underpinning this research strategy is the assumption of the correlation between an author's methods, methodology and epistemological framework. That is to say that an individual's conceptualisation of knowledge, what they think counts as valid knowledge, where one might find knowledge and how one might increase it – their epistemological framework - directly impacts and shapes their approach to gathering that knowledge – their methods (Furlong & Marsh, 2010: 206 & Crotty, 1998: 3). It is unlikely, for example, that a positivist that relies upon observable, measurable and verifiable data would centre their research on the methodology of ethnography, gathering 'data' through the methods of participant observation or interviews. However, a constructivist, that acknowledges the role of context and experience in an individual's acquisition of knowledge about the world, may choose to research their topic ethnographically. The methods adopted by an individual reflect the type of knowledge that they seek to discover, reflective of their epistemological framework. And thus, the thesis proceeds with the assumption that symptomatic reading of an author's methodological work provides insight into their epistemological commitments. This is further discussed and demonstrated in each of my analysis chapters. Ultimately these underpinning assumptions, and my positionality as a researcher, are integral to the direction and topic of my thesis. My goal to further understand the factors that shape and condition the process of reading is predicated upon my assumption that reading is a subjective process.

The entirety of my thesis is also underpinned by a particular normativity, a belief that engagement with our historical predecessors ought to be as 'comprehensive', rigorous and as thorough as possible. Relatedly, I am of the opinion that we ought not to accept "pluralism for the sake of pluralism" (Wight, 2019: 68) and rather we should develop standards of critique in order to assess engagements with predecessors. As stated previously, I *do not* believe that a 'correct' reading of a text can be determined, however, I do believe that the relative quality of a reading

can be assessed against explicitly outlined standards of critique. My normative position, therefore, is closely tied to the work of Quentin Skinner as his work is employed within this thesis as the standards of critique against which I assess the quality of readings of the 'invisible hand'.

2.2.2 My Epistemological Commitments

I hope to achieve transparency and self-awareness through the explicit acknowledgement of my own epistemological commitments. I regard this acknowledgement as crucial, particularly due to the nature of my research inquiry, namely investigating the role and influence of epistemological frameworks in conditioning particular readings. If I were to study this phenomenon within the work of the representative authors while ignoring, or failing to acknowledge, the same phenomenon within my own research process I would be guilty of an inconsistent research practice. To uncover the relationship between specific authors, their epistemological frameworks and their readings of the 'invisible hand' I, as the researcher, must read the writings of these authors. Simply put, this thesis requires me to read, and write about, those that read and write about Smith. And my reading – like those that I research – is conditioned and shaped by my own epistemological framework.

Despite being a crucial undertaking, reflecting upon my own epistemological commitments has proven to be a difficult task, attempting to write about them in a coherent manner, even more so. I am simultaneously struck by the need to be explicit and self-reflective and by a fear of ascribing myself beliefs that I later contradict or reject. There is, of course, the added difficulty of determining whether the epistemological commitments I state that I have are those I actually adhere to within my research or, rather, the preferences and assumptions I hope to have.

With this caveat in mind, I shall avoid attributing myself to an epistemological tradition or 'ism' and shall instead discuss my own commitments using the terms and language I employ in my later analysis chapters. I do not believe that we, as researchers, can approach the process of reading or interpretation in an 'objective' or 'value-free' manner. Rather I believe that a researcher's context – be that social, political or historical – impacts the way in which they research. In addition, these contexts or interests cannot "be done away with" (Behr, 2014: 10) and are, rather, permanent features of the research experience. Such an epistemological belief necessitates research that acknowledges the impact of these 'external' factors on the research process. It also relates to my epistemological assumption that there is not one 'true' or 'correct'

interpretation of a text and likewise no single method of reaching such an interpretation. I do, however, believe that the validity of certain knowledge claims can be evaluated or assessed when the standards for assessment are explicitly stated. And therefore, I reject subjectivist claims that the only valid judgement is that of the individual. However, I acknowledge that these selected standards of assessment are themselves a product of the social, political and historical context of their author – and are explicitly not universal, absolute or 'objective'. As a consequence of my epistemic belief that knowledge is relative, I adhere to a number of more specific and further epistemological commitments that are directly relevant to my methodological choices. Firstly, I adopt a historicist belief that to adequately understand certain knowledge claims we must first situate them in their appropriate historical context as such a context is intrinsic to the claim itself. Likewise, we must understand the political and social context of the knowledge claim for the same reason. To justify one's knowledge claim relating to a text, one must demonstrate that they have adequately engaged with the text, that their claim is made on the basis of a thorough reading as well as an acknowledgement of the context within which the text was produced. Such a justification is not sufficient for an absolute knowledge claim relating to the meaning of the text, however, knowledge claims made without such a justification can – on this basis – be disregarded or, at the very least, understood to be lacking. Whilst we cannot 'do away' with our own interests, biases and contexts that surround our knowledge claims, self-reflection and explicit acknowledgement of these claims is essential as it enables others to better understand our research.

2.3 Methods

This research project is comprised of three key research steps: identifying readings of the 'invisible hand' from 1759 until the present day; identifying the epistemological frameworks that condition these types of reading and, finally, evaluating these readings and their epistemological foundations against Skinnerian standards of interpretation. These three research steps are constituted of a number of individual methods. The following section outlines and justifies the adoption of each of these methods.

2.3.1 Identifying Readings

Identifying readings of the 'invisible hand' from the year 1759 until 2017 was the first step in my research process. The year 2017, the first year of my PhD, was selected as the end date to ensure that my data set of readings remained consistent throughout the research process. To identify

these readings, two distinct methods have been adopted. Firstly, those readings occurring in the years 1759 – 1899 have been identified through an engagement with a pre-existing body of literature, the 'contemporary revisionist' literature. Secondly, those occurring from 1899- 2017 have been identified using the 'Advanced Search' function on the JSTOR database. These distinct methods are required because the JSTOR database does not return results prior to 1899.

1759-1899

To produce an extensive list of the readings of Smith's 'invisible hand' from 1759 until 1899, the 'contemporary revisionist' literature has been employed. As discussed in my Introduction, contemporary revisionist Smithian scholars examine and critique dominant, orthodox interpretations of Smith's work before often offering their own 're-reading'. Within this body of literature there exists a subset of scholars who focus specifically on the 'invisible hand' - they trace and analyse different interpretations of the phrase; discuss why such interpretations have arisen and, in some cases, they offer alternative readings of the 'invisible hand'. Such authors include Gavin Kennedy (2009, 2017), William Grampp (2000), Warren J Samuels (2011) Emma Rothschild (2001) and Keith Tribe (1999).

By reviewing this literature, I was able to gather an extensive list of readings of the 'invisible hand'. To ensure the comprehensiveness of the list, I cross-referenced my findings using the work of all the contemporary revisionist scholars. Doing so served to decrease the likelihood of a reading being omitted. I ensured the validity of the list by accessing and reviewing each of the readings listed. This entailed a research trip to the Adam Smith Archives at both Glasgow University and Edinburgh University where I was able to consult the literature that has been utilised by many of the contemporary revisionist writers. Furthermore, I was required to access online newspaper archives.

1899-2017

An Advanced JSTOR search was the method adopted to identify readings of the 'invisible hand' during the period 1899-2017. A search was made for the 'invisible hand' AND 'Smith'. Non-English articles were removed, and the remaining 1,885 articles constituted the readings of 'the 'invisible hand' from this period. Using JSTOR was a quick and efficient method to identify articles containing readings of the 'invisible hand'. When I identified a reading or an author that was of specific interest, I was able to expand my engagement beyond JSTOR and into the realm

of published books and journal articles by using a combination of Google Scholar and Newcastle University's library database.

Creating Types of Readings

Following my preliminary methods of identification, I was in possession of a large number of different readings of the 'invisible hand' which I then had to classify into 'types'. Once again, the methodological steps for this process differ for each time period.

For the period 1759-1899, I grouped together the readings on the basis of their shared characteristics. For example, all the readings that discussed the 'invisible hand' as "Providence" were grouped together. This was feasible on account of the relatively low number of readings, and the minimal variety between readings, in this time period.

For the period 1899-2017, I utilised the qualitative data analysis software *NVivo*. *NVivo* allows for "powerful data management and analysis" that enables researchers to perform coding of qualitative data (Bhattacharya, 2015: 2). *NVivo* itself does not "conduct data management or analysis on its own" and instead is a tool that can be used in various different ways by the researcher (Ibid: 8). Within my research project I used *NVivo* for three key functions, as a 'filing cabinet'; as a searchable database; and, as a means of coding the different readings of the 'invisible hand' to create types of reading. Firstly, all 1,885 articles returned from the JSTOR search were uploaded as PDFs onto the *NVivo* platform. This meant that all articles were saved to, and accessible within, the same platform. Secondly, I used the 'text query' function to search the articles for instances of the phrase "the invisible hand". I used the 'broad search' function which returns each instance of "the invisible hand" alongside approximately 10 lines of contextualizing text. Following this step, I was in possession of every instance of the 'invisible hand', and its immediate context, within the 1,885 articles returned from the JSTOR search. I was then in a position to produce 'types' of reading of the 'invisible hand' by using the method of coding.

Linneberg & Korsgaard (2019) explain that the "core operation of coding involves examining a coherent portion of your empirical material – a word, a paragraph, a page – and labelling it with a word or short phrase that summarizes its content" (Linneberg & Korsgaard, 2019: 259). For my own research, this meant labelling the returned 'broad search results' with a single word or short phrase. In *NVivo* these labels are referred to as 'nodes'. So, for example, a broad search result that

returned the sentence "*Like their theological forbears, from whose religious discourse market concepts like the 'invisible hand' and 'market miracles' come, neo-classical economists are bound by a ruling set of ideas of how society must live […] orthodox economic doctrine not only begins on the basis of the deist metaphysic of Adam Smith..."* was labelled with the node 'Invisible Hand as Religious Discourse'. Or the sentence "*Another assumption relating to uncertainty is essential for the fundamental theorems of welfare economics, which attempt a proof of the validity of Adam Smith's concept of the 'invisible hand"* was labelled as 'Invisible Hand as Fundamental Welfare Theorems'. This form of coding is inductive in nature as I was "developing codes 'directly' from the data" and thus my nodes "stay close to the data, mirroring what is actually in them" rather than reflecting my own pre-existing ideas about what might be present (Linneberg & Korsgaard, 2019: 263). By avoiding the use of *a priori* or pre-defined coding categories I was able to ensure that the full scope of readings of the 'invisible hand' were acknowledged and incorporated into my research. Inductive coding does, however, present two key methodological challenges. Firstly, because of the lack of pre-defined labels, the act of coding may be subject to change or inconsistencies as the coding process matures. To counter this, I was required to go back over earlier coding ensuring that it remained consistent with that which was completed at a later date (Elliott, 2018: 2855). Secondly, an inductive coding technique often returns a particularly high number of categories (Linneberg & Korsgaard, 2019: 263), following the coding of all 1885 articles I had a total of 53 nodes. Consequently, I was faced with the challenge of creating a manageable number of what Linneberg & Korsgaard (2019: 263) call "higher level categories", or what I term 'ideal-type readings', from the initial code list.

Creating Ideal-Types

My code list of 53 nodes had to be adapted in order to be amenable to my research goals. Seven ideal-type readings were created from the original 53 nodes in line with Max Weber's understanding of 'ideal types'. The formation of the conceptual tool, the 'ideal-type', is a methodologically sound approach to analysis of social practices within various branches of social science (Hekman, 1983: 120). Quite simply, forming an 'ideal-type' allows a researcher to group together objects of analysis on the basis of their shared characteristics. These objects of analysis, the 53 types of reading, are grouped together through

> *the one-sided accentuation of one or more points of view and by the synthesis of a great many diffuse, discrete, more or less present and occasionally absent concrete individual phenomena, which are arranged according to those onesidedly emphasized viewpoints into a unified analytical construct...*
>
> Weber, 1949: 90

In other words, my ideal-type readings of the 'invisible hand' are a result of the accentuation of, and grouping together based on, particular characteristics of each of the 53 types of reading. Thus, an 'ideal-type' concept is *not,* and does not attempt to be*,* a true representation of reality but is instead a rigorously constructed abstract concept based on the accentuation of particular aspects of the objects of analysis. Hekman (1983: 125) claims that the a-historical nature of the 'ideal type' allows the researcher to transcend specific historical and societal conditions of the social practice under examination. With regards to my specific research question this is useful as the types of reading that I explore may exist in multiple different time periods. For example, the ideal-type 'Transcendental' reading, which includes those readings that regard the 'invisible hand' as other-worldly or simply as God, is present both in the early 1900s as well as in the early 2000s. Using an 'ideal-type' enables me to group these readings together by accentuating their references to 'God' above their historical context. Thus, in a second research step, I am able to determine if, and how, a particular epistemological framework has informed this ideal type of reading in both the early 1900s and 2000s. From herein when using the phrase 'types of reading' I am referring to the seven ideal-type readings, unless otherwise specified.

2.3.2 Identifying Epistemological Frameworks

Representative Authors

To enable me to research the epistemological frameworks associated with the seven ideal-type readings, I was required to select representative authors for each. I engage with twelve representative authors over the course of the thesis, the majority of the types have two representative authors with the exception of the 'Spontaneous Order' reading and the 'Market Mechanism' reading that each have one. Of those that have two representative authors, the goal is explicitly *not* to compare or contrast the authors. Rather, I employ two authors to simply make the same argument - an author's epistemological commitments condition their reading of the 'invisible hand' – twice, and therefore make it more compelling and less open to criticisms of cherry-picking. Representative authors were selected on the basis of two attributes: firstly, they were deemed to be the most 'impactful' of the authors within their 'ideal-type'. 'Impact' was

measured using Google citation information as provided by Google Scholar. Whilst citation levels are not an infallible means by which impact may be measured, I am assuming that the more an article has been cited, the more widely it has been read and, therefore, the more exposure that particular reading of the 'invisible hand' has received. Secondly, a representative author had to engage with the 'invisible hand' in a manner that provided adequate research material. For example, those authors that had 'impactful' readings but merely mentioned the 'invisible hand' in a non-substantive footnote were disregarded on the basis that to unpack their reading of the 'invisible hand' would be unfeasible. The role of these representative authors is to limit my field of analysis and thus make my research project feasible. The pursuit of feasibility does, however, bring with it research limitations. I can research the conditioning epistemological assumptions of my selected representative authors; however, I am limited in my ability to extrapolate my findings. More specifically, my research demonstrates that the representative authors of each type of reading of the 'invisible hand' tend to share similar and related epistemological commitments and frameworks. However, without researching the epistemological frameworks of each and every author associated with a type of reading, I am unable to conclude that certain commitments categorically lead to particular readings. Rather, on the basis of my findings I make the following suggestion: that in the case of the selected representative authors we can plainly see the conditional relationship between epistemology and reading and that we may fairly expect, but cannot guarantee, to identify similar epistemological commitments in others that adhere to the same type of reading of the 'invisible hand'. This limitation is an unfortunate but unavoidable result of the time restrictions on a doctoral thesis. Nonetheless, it does not undermine my central thesis that epistemological commitments shape readings of the 'invisible hand'.

Intertextual, Symptomatic Reading

Following the identification of both my ideal-type readings and representative authors, I was faced with the methodological challenge of uncovering their 'Epistemologies of Reading'. To do so, I adopted the method referred to herein as an 'intertextual, symptomatic reading'. Prior to outlining this adopted method, I must reflect upon my understanding of epistemology and, more specifically, what constitutes an individual's epistemological framework, commitments or assumptions.

Spencer (2000) understands epistemology as "the study of knowing – essentially studying what knowledge is and how it is possible." Similarly, Della Porta & Keating (2008: 22) explain that

epistemology is "about *how* we know things" and Klein (2005) explains it is a branch of philosophy that examines the "nature, sources and limits of knowledge". Hay provides a more specific reflection on the term:

> *The epistemologist asks what are the conditions of acquiring knowledge of that which exists?'. Epistemology concerns itself with such issues as the degree of certainty we might legitimately claim for the conclusions we are tempted to draw from our analyses, the extent to which specific knowledge claims might be generalized beyond the immediate context in which our observations were made and, in general terms, how we might adjudicate and defend a preference between contending political explanations.*
>
> Hay, 2002: 63-64

On the basis of the above definitions, I claim that an individual's epistemological framework is quite simply his or her theory of knowledge, their understanding of what constitutes knowledge. To know an individual's epistemological framework is to know their understanding of knowledge: what constitutes valid knowledge, how this validity ought to be evaluated and how we might increase the body of knowledge. To note, I use the terms 'epistemological framework', 'epistemological commitments', 'epistemological preferences' and 'epistemological assumptions' throughout the thesis. I understand an individual's 'framework' to simply be an amalgamation of their 'commitments', 'preferences' or 'assumptions'. Each of these three terms are employed in their colloquial sense and I rotate my use of them throughout the thesis for stylistic, as opposed to substantive, reasons. Within the social research literature, it is common to discuss epistemological categories such as 'constructivism', 'positivism' or 'interpretivism' and individuals are themselves often branded as 'constructivists', 'positivists' or 'interpretivists'. This thesis avoids using such labels and does so to maintain focus on the central argument. To label a representative author as, for example, a positivist does not serve to further my argument that certain epistemological commitments condition certain readings of the 'invisible hand'. Whether these particular commitments are positivist, or not, is inconsequential. Rather, to employ such a term introduces a further element of research, the requirement to establish said author as a positivist. I understand such epistemological categories to be subjective and thus using them to characterize a representative author firstly, does not bolster my argument and secondly, opens my discussion up to potential criticism. Therefore, I deliberately choose to discuss the specific epistemological commitments of the representative authors, avoiding more general 'isms'.

Furlong & Marsh (2010:184) state that "each social scientist's orientation to his or her subject is shaped by his/her ontological and epistemological position" and importantly, that "even if these positions are unacknowledged, they shape the approach to theory and methods which the social scientist uses". An individual's epistemological framework plays an inalienable role in their research process, this is a crucial observation with regard to the research undertaken here as the vast majority of the representative authors fail to explicitly reflect upon or acknowledge their epistemological framework. Consequently, I must perform an intertextual, symptomatic reading to uncover their epistemological assumptions. The method of an intertextual, symptomatic reading is based upon the combination of two methodological approaches namely, the method of intertextuality as discussed by Julia Kristeva and the approach of 'Symptomatic Reading' outlined by Louis Althusser in his book *Reading Capital.* The following section explores these independent approaches and details how a combined intertextual, symptomatic method has been produced from an engagement with these authors.

Intertextuality is a term first coined by philosopher and semiotician Julia Kristeva in her essay 'Word, Dialogue and Novel' (1986). My understanding of Intertextuality is based upon an engagement with Kristeva's work, supplemented by the work of Graham Allen (2011). However, I do not adopt Kristeva's approach wholly or in a strict sense but rather as an inspiration or stimulus for my own intertextuality. The difference shall, I hope, become clear in the following paragraphs.

Kristeva develops her understanding of 'intertextuality' from an engagement with the work of Mikhail Bakhtin and specifically his concept of 'dialogism'. Kristeva explains that Bakhtin was "one of the first" to develop a "model where literary structure does not simply *exist* but is generated in relation to *another* structure" (Kristeva, 1986: 35-36, Original Emphasis). Bakhtin understood literary words as "an *intersection of textual surfaces* rather than a *point* (a fixed meaning), as a dialogue among several writings: that of the writer, the addressee (or the character) and the contemporary or earlier cultural context" (Ibid: 36, Original Emphasis). It is upon this understanding of Bakhtin's work that Kristeva develops her concept of intertextuality, the idea that the text is a dynamic site of inter-textual relations, processes and practices. Adopting this concept is to deny the text as "self-contained systems" and rather approach them as "differential and historical, as traces and tracings of otherness, since they are shaped by the repetition and transformation of other textual structures" (Alfaro, 1996: 268). The intertextual nature of a text means it is not an independent, original creation but rather the result of

engagement with other texts *and* a consequence of a particular set of social and cultural contexts; "texts are not isolated personage but culturally fashioned discourses, ways of systemic/institutional 'speaking and saying'" (Raj, 2015: 78). The methodological consequence for such a claim is that, when researching a text, we must acknowledge that "what we term as meaning of the text finds a wider and complex characterisation beyond what is inscribed in a text" and thus the task of interpretation requires a "skilful intervention into historical, cultural, social and institutional realms" and ultimately an examination of the text's relations to other texts (Ibid: 80). Such a claim correlates with the work of Graham Allen (2011) on intertextuality. As a method, intertextuality enables the researcher to understand the "relationality, interconnectedness and interdependence" between different texts (Allen, 2011: 5). He explains that intertextuality is premised on the belief that to discover the meaning of a text one must investigate the intertextual relations between it and the other texts to which it connects. There are two keys reasons that an individual text should not merely be analysed as a self-sufficient whole and thus the method of intertextuality is appropriate: firstly, every author "is a reader of texts before s/he is a creator of texts" (Still & Worton, 1990: 1) and consequently their work does not exist as a closed system. Secondly, a text may only be understood through the process of reading and the process of reading is heavily influenced by "all the texts which the reader brings to it" (Ibid:1-2).

Intertextuality is employed in two capacities within this thesis. Firstly, in a methodological sense: reading intertextually enables me to uncover how an author's epistemological framework is related to their reading of the 'invisible hand'. An author may outline their understanding of the 'invisible hand' in one text but reflect epistemologically or methodologically in another: by understanding their work as intertextual - and thus not as a closed system but rather as a dynamic site of textual relations - I read these texts in light of one another as opposed to as separate entities. Secondly, the concept of intertextuality helps to justify my decision to analyse representative authors and, furthermore, my ability to make careful and limited extrapolations on the basis of this analysis. To re-cap, in Section 2.3.2 I discussed the role of representative authors. I stated that whilst I can demonstrate that the epistemological commitments of these representative authors impact their readings my capacity for extrapolation to other, related authors is limited. I concluded that I may only *suggest* that other authors within the ideal-type may share similar or related epistemological commitments. The approach of intertextuality enables me to make this suggestion, specifically its core tenet that there is a "relationality, interconnectedness and interdependence" between texts, especially those within the

same field of interest (Allen, 2011: 5). This understanding of an author's positionality within a particular field is also based upon an engagement with Mannheim (1986) who reflects on this extensively:

> *Even the most solitary thinker does not think in discrete intuitions, but on the basis of a more comprehensive design of thinking which somehow commands his life. And this design of his own is always part of a collective design which goes far beyond him. This fact does not deny the reality of the creative aspect, nor does it diminish the extent of irrational elements of our life. It merely means that even the 'genius' does not think in a vacuum but can only choose the starting-point for his thinking from among the concepts and problems with which history presents him. These concepts and problems express a spiritual and experiential situation which, just as much as the other constituents of our life, has its rise in the historical stream. However radical the novelty of what he brings to life, the thinker will always do it on the basis of the then-prevailing state of the question concerning life, the store of his concepts will be only a modification of this collective possession, and the innovation will inevitably be taken up in turn within the on-going historical current.*
>
> Mannheim, 1986: 50

Thus, the approach of intertextuality enables me to both research the link between a representative author's reading and their epistemological framework and suggest that their epistemological commitments may be shared by those to which they are institutionally, historically, culturally or socially related.

To uncover an author's epistemological framework, however, intertextuality must be supplemented with Louis Althusser's approach of a symptomatic reading:

> *Symptomatic reading, according to Althusser, aims at the reconstruction of a certain problematic as it exists in a text to unlease [sic] the epistemological framework in which this problematic has been expressed and formulated, including the terms and concepts of its discussion. Thus, a problematic (problematique) is characterized by the discussion and non-discussion of distinct problems.*
>
> Behr, 2014: 16

Within Althusser's *Reading Capital* (1970), the methodological approach of a symptomatic reading performs two key roles: firstly, it forms the approach that Althusser adopts in his reading of Marx and, secondly, Althusser claims it is the approach that Marx himself used when reading the classical economists. Althusser establishes that Marx, in his reading of the classical economists, does not merely outline their omissions, their merits and their failings but instead

reads them in such a way as to show that they ask fundamentally different questions from himself, he "divulges the undivulged event in the text it[he] reads" (Althusser, 1970: 28). Althusser explains that knowledge is a production, the classical political economists what they see (study) and do not see (omit) is linked to their production of a particular knowledge (Ibid: 24). Thus, there are no innocent, value-free readings: "this is because every reading merely reflects in its lessons and rules the real culprit: the conception of knowledge underlying the object of knowledge which makes knowledge what it is" (Ibid.). In the *Encyclopaedia for Case Study Research* (2010), Cassandra Crawford explains that a symptomatic reading can be understood as reading 'past' or 'under' what is self-evident; it "deconstructs the problematic, paying attention to what is implicit as well as to what is explicit" (Crawford, 2010: 642). Or, in other words, it explores both the absences and gaps within a text and regards these as symptomatic of a broader conception of knowledge that is itself absent from the text. To achieve such a reading, researchers must not simply "read below the surface" but "must be aware of, or have the capacity to discover, the linguistic structure and epistemological frameworks at work in order to reveal the implicit or latent subtext" (Ibid: 643). It is through this approach to reading, one that identifies within a text both what is manifest and what is latent, and the tension between these two elements, that provides insight into the author's epistemological framework. In conclusion, the representative authors shall be read both intertextually and symptomatically in order to "divulge" their epistemological frameworks.

When determining how a reader's epistemology impacts upon their reading, an important methodological consideration is the direction of this relationship. The analysis contained within the thesis does not assume the direction of this correlative relationship. It is accepted that while an author's epistemological framework may condition their particular reading, the same reading might also shape an author's epistemological framework. This relationship may, in fact, be co-constitutive. Some of the selected representative authors have published in such a way that they have invoked the 'invisible hand' prior to their more self-reflective work, or vice versa. In these cases, I am unable to determine whether their epistemological framework was established prior, through or following their reading of the 'invisible hand' and, importantly, whether it was subject to change post-reading. A further limitation is encountered when we acknowledge that, whilst an author may publish their reading of the 'invisible hand' in, for example, 2020, they might have first read the phrase many years before. Therefore, if their engagement with the 'invisible hand' impacted upon their epistemological framework, this impact is unidentifiable. To accurately

determine, in these instances, the direction of the correlative relationship I would be required to conduct interviews or engage in direct written exchanges with the authors; both methodological options not pursued within this thesis. Consequently, I am required to accept that in these cases, whilst I hope to demonstrate the existence of a correlative relationship, I am unable to categorically state the direction of this relationship. This does not undermine my research practice as my argument remains that readings of the 'invisible hand' are impacted by an author's epistemological framework, it is not significant if these two factors are, in fact, co-constitutive.

2.3.3 Evaluating 'Epistemologies of Reading'

Evaluating the seven types of reading and their associated epistemological frameworks forms the third and final research step within the thesis. To do so, I employ the work of Quentin Skinner. As will be detailed fully in the following 'Conceptual Framework' section, I engage with Skinner's word to produce seven standards of reading. In Chapter Ten, I then employ these seven standards to perform a 'Skinnerian' analysis of each type of reading. In doing so, I re-engage with these types of readings in a critical manner, theoretically grounded in the work of Skinner. The methods central to this research stage are firstly the development of the Skinnerian standards (discussed in Chapter Two, Section 2.4.3) and the process of what I term a 're-reading'. Such a re-reading process involves re-visiting the works of the representative authors and re-examining my own analysis of these works using a Skinnerian lens.

2.4 Conceptual Framework

In the following section I shall outline the theoretical framework within which this research has been conducted. My theoretical framework is the product of a synthesis of Karl Mannheim's approach of the *Sociology of Knowledge,* Reinhart Koselleck's approach of *Conceptual History* and Quentin Skinner's work on the methods of intellectual history. This framework provides me with the analytical concepts and categories required to study, and articulate, the relationship between epistemology and reading and thus enables me to address my central research questions.

In what follows I shall explore the *Sociology of Knowledge, Conceptual History* and Skinner's approach in order to demonstrate both their capacity to be synthesised into a coherent framework and their relevance and appropriateness for my research project. Essentially my research is centred on the concept of the 'invisible hand', those that read this concept and their

epistemological frameworks. A synthesised approach of *Conceptual History* and *Sociology of Knowledge* is able to 'speak to' each of these research elements. Using the approach of *Conceptual History*, I am able to articulate the contingency and contested nature of the 'invisible hand' and understand this contingency as indicative of wider epistemological shifts. The *Sociology of Knowledge* enables me to understand authors, and their writings, not as independent, self-standing creators of knowledge but rather as being underpinned and shaped by particular elements of existence including their epistemological assumptions. My research, however, is neither a *Conceptual History* of the 'invisible hand' nor a *Sociology of Knowledge* analysis. Rather, taken together these two theoretical frameworks provide appropriate concepts, categories and ways of thinking that I can apply to the relationship between the 'invisible hand', those that read it and their epistemological frameworks.

In addition to employing the work of Mannheim and Koselleck, I introduce that of Quentin Skinner. His work is employed to provide a theoretical grounding for two key processes within the thesis. Firstly, his work guides my own reading. My research project requires me to read and interpret large swathes of writings – I have attempted to undertake this process in line with the principles of interpretation established through my engagement with Skinner, as set out in the following pages. Secondly, Skinner's framework provides the standard of 'comprehensiveness' against which I may compare, contrast and evaluate the seven types of reading of the 'invisible hand' and their associated epistemological frameworks. I understand a 'comprehensive' reading to be that which adheres to a high number of the Skinnerian standards and likewise an 'incomprehensive' or 'non-comprehensive' reading to have a low level of adherence. In my initial analysis chapters (Chapters Three to Nine) my goal is to report upon the phenomenon of certain epistemological commitments underpinning particular readings. However, in my final analysis chapter, my 'Skinnerian Analysis', I move from 'reporting' to 'evaluating' and I employ the Skinnerian standards of interpretation to undertake this evaluation.

2.4.1 Karl Mannheim

Karl Mannheim (1893-1947) is "often taken to be the founder" of the approach *Sociology of Knowledge* or *Wissenssoziologie* (Glover et al, 1985: 16). His focus on the development of the *Sociology of Knowledge* constituted the first stage of his academic career, from 1918 to approximately 1932. Mannheim's underpinning belief is that "the proper theme of our study is to observe how and in what form intellectual life at a given historical moment is related to the existing social and political forces" (Mannheim, 1936: 60). It is Mannheim's specific focus upon,

and exploration of, the conditioning factors of 'intellectual life' that lends itself to the research undertaken in this thesis. More specifically, Mannheim's conceptualisation of knowledge as being existentially conditioned provides both the momentum for, and a manner of articulating, my argument that the process of reading is epistemologically conditioned.

Behr & Heath (2009: 346) argue that a theory, as an element of intellectual life, is shaped by the "political, historical and cultural context of its author" and thus to understand or invoke such a theory one must undertake a study of its *Standortgebundenheit*, its historic and cultural location (see also Goldman, 1994: 266). In this thesis, I explore and articulate the epistemological *Standortgebundenheit* of readings of the 'invisible hand'. That is not to say that a reader's political, historical and cultural context does not affect his/her reading, in fact, it almost certainly does. However, the study of the conditioning effects of political, historical and cultural context is achieved through methods such as sociological imputation, social network analysis, ethnography and participant observation. This thesis pursues the novel approach of uncovering an author's 'Epistemology of Reading'. Thus, this thesis both draws upon, and extends, the *Sociology of Knowledge* by demonstrating that epistemology and *not* just political, historical and social context play important conditioning roles for intellectual acts, such as reading. Once again, it is important to caveat that I do not aim to compare the conditioning effects of each of these elements either directly or indirectly. The following section shall discuss the *Sociology of Knowledge* further, beginning with the roots of Mannheim's approach; followed by a discussion of its underpinning epistemological assumptions and, finally, the *Sociology of Knowledge* 'method'.

The practitioner of the *Sociology of Knowledge* "seeks to analyse the relationship between knowledge and existence" and thus undertakes "historical-sociological research [that] seeks to trace the forms which this relationship has taken in the intellectual development of mankind" (Mannheim, 1936: 264). It is Mannheim's theory of ideology that provides the building blocks and origins for his *Sociology of Knowledge* approach. Mannheim classifies his theory of ideology by differentiating between four different conceptions of ideology: *particular*, *total*, *special* and *general*. A *particular* conception of ideology centres on "specific assertions which may be regarded as concealments, falsifications or lies" (Mannheim, 1936: 265) such as the conscious masking of interests by groups such as political parties. A *total* conception of ideology places focuses on an entire mental structure, as opposed to specific falsifications. Adopting a *total* conception allows an academic to study how the mental structure "appears in different

currents of thought and historical-social groups" (Ibid: 266). The differentiation between *particular* and *total* is further specified by Mannheim when he introduces a *special* and a *general* conception of ideology. A *special* conception of ideology is simply when an academic undertakes an ideological analysis of an other's work but does not apply this strategy to their own work. Conversely, a *general* conception "is being used by the analyst when he [sic] has the courage to subject not just the adversary's point of view but all points of view, including his [sic] own, to the ideological analysis" (Mannheim, 1936: 77). Thus, a *total*, *general* conception of ideology is the focus on, or study of, an entire mental structure or overarching world view of a group taking into consideration the researcher's own ideological viewpoint. This is, in fact, a *Sociology of Knowledge*. Mannheim (1936:77) changed his terminology in order to avoid the "moral or denunciatory intent" associated with the word 'ideology'.

The *Sociology of Knowledge* approach constitutes a direct attack on the Age of Enlightenment and the concepts of truth and objectivity integral to the epistemology of natural sciences (Hekaman, 1987: 352). On the basis of this critique, Mannheim seeks to develop a new epistemological basis for both sociology and the cultural sciences as a whole. He begins by distinguishing between the natural and cultural sciences before focusing upon the concepts of truth and objectivity, the forms they take and the roles they play within his new epistemology.

The principal tenet of the *Sociology of Knowledge* is that "there are modes of thought which cannot be adequately understood as long as their social origins are obscured" (Mannheim, 1936: 2). The resulting question is, does this theory of relational knowledge apply to *all* forms of knowledge, including the natural sciences? Ultimately, Mannheim claims that, while the theory of relational knowledge is essential to any study of historical knowledge, there does exist "absolute and unchanging" knowledge in the spheres of natural sciences, logic and mathematics (Hekaman, 1987: 348; see also Seidel, 2011). Mannheim's analysis of the epistemology of the natural sciences is primarily fixated upon questioning the validity of its use in the sphere of the cultural sciences. While the relational-knowledge feature of 2x2=4 cannot be formulated, even by "a god" (Mannheim, 1936: 79), the "fact that the natural sciences have been selected as the ideal to which all knowledge should aspire" must be contested through the adoption of the theory of relational knowledge by the cultural sciences (Ibid: 290).

Mannheim's discussion of the epistemology of the *Sociology of Knowledge* includes his conceptualisations of both 'truth' and 'objectivity'. He explicitly rejects the idea of an a

priori, independent sphere of truth by which empirical observations may be judged (Ibid: 292). Instead, he asserts that different truths are merely the products of different modes of thought. With regard to his theory of relational knowledge, Mannheim argues that a better or 'larger' truth can be attained through the combination and comparison of numerous different modes of thought and their corresponding conceptions of truth. This process of contrasting and combining numerous partial truths shall generate a 'truth' closer to the actual historical reality – thus, this 'truth' is more comprehensive, yet never absolute. Closely associated with Mannheim's conception of truth is his classification of objectivity. Despite his use of the word 'objective', Mannheim's definition remains fundamentally different from the eternally and universally valid 'objectivity' held by the positivists of his time. For Mannheim (1936: 301), "objectivity is brought about by the translation of one perspective into the terms of another". In other words, an objective analysis is underpinned by a thinker's ability to reflect upon another's viewpoint in addition to being self-reflexive.

The theoretical and epistemological tenets of the *Sociology of Knowledge* provide a framework for understanding and articulating the relationship between readings of the 'invisible hand' and their associated epistemological frameworks. And Mannheim's approach to *doing* a *Sociology of Knowledge* also provides a theoretical grounding for the research undertaken within the thesis. Prior to discussing the 'method' of a *Sociology of Knowledge*, I must provide two caveats. Firstly, the translation of the *Sociology of Knowledge* analytical framework into a 'method' is a complex, multifaceted process that has resulted in numerous different research practices (Remmling, 1973: 17). While Mannheim consistently refers to 'sociological imputation' as a 'method' of the *Sociology of Knowledge,* his discussions on the topic have not produced a specific means of applying the *Sociology of Knowledge* and instead resemble a loose analytical framework for the study of particular styles of thought. This lack of specificity is most likely a consequence of the breadth of Mannheim's object of study, the existential dimension of knowledge. The second caveat is related to the question of *who* may perform a *Sociology of Knowledge* analysis. Mannheim designates this task to a group referred to as *the freischwebende Intelligenz*, or the 'socially unattached intelligentsia'. For Mannheim, charging this group of people with the task of the *Sociology of Knowledge* overcomes any criticisms of relativism as this group is able to recognise, and separate themselves from, their existential-boundness and consequently perform an 'objective' *Sociology of Knowledge* analysis (Heeren, 1971: 5). This particular element of Mannheim's approach is not relevant to this thesis as it is me that is

undertaking the research. Whilst I attempt to be self-reflective by acknowledging my own positionality and epistemological commitments, I do not claim to be 'unattached', or that such a state is even a possibility.

Mannheim addresses the 'problems of technique' associated with the *Sociology of Knowledge* in the final section of *Ideology and Utopia* where he argues that the evolution of the *Sociology of Knowledge* depends on the ability of its proponents to undertake exact research in the historical-sociological domain. Mannheim (1936) establishes the method of 'sociological imputation' as the appropriate means by which to determine "the various viewpoints which gradually rise in the history of thought and are constantly in process of change" (Mannheim, 1936: 307). The method of sociological imputation may take two stages. As the translators of *Conservatism* (1986: 42) succinctly summarise in a note, it is these two stages that together form Mannheim's *Sociology of Knowledge.* The first stage, *Sinngemässe Zurechnung,* is the process of attributing individual utterances or texts to the *Weltanschauung,* or world view*,* which they convey. This stage is much like Althusser's (1970: 24) process of a symptomatic reading that understands certain aspects of the studied text to be symptomatic of the broader conception of knowledge underpinning it. This *Sinngemässe Zurechnung* process enables the practitioner of the *Sociology of Knowledge* to expose the complete world view that is concealed within discrete aspects of this over-arching system of thought, Mannheim uses the examples of 'liberal' and 'conservative' systems of thought. The second stage, *Faktizitätszurechnung*, is the process of taking these ideal-type world views, such as 'liberal' and 'conservative', and closely examining each of their related authors. The examination of each author, and specifically the measurement of their thought from the established ideal-type, enables the practitioner to produce a "concrete picture of the course and direction of development which has actually taken place" of these systems of thought (Mannheim, 1936: 308). This process does not merely produce a superficial summary of the history of conservative or liberal thought, but by engaging with explicit utterances and texts it "makes possible a reconstruction of reality" (Ibid.).

Manheim further elaborates upon the method of sociological imputation in his work *Conservatism: A Contribution to the Sociology of Knowledge.* This two-fold process of sociological imputation is re-iterated by Mannheim; however, he adds an illuminating passage on the pertinence of this method. With reference to the work of an art-history methodologist, Mannheim describes the process of classifying an undated painting; he/she begins by tracing certain elements of the painting's style to a particular period such as the Renaissance, at which

point the knowledge of the Renaissance period, as a whole, is improved through an engagement with this specific piece of artwork. With regard to written political texts and utterances, Mannheim (1986: 43) argues that "it is precisely this reciprocal illumination which brings about the most complete penetration of the materials."

For the research undertaken within this thesis, it is the first stage of sociological imputation that is the most relevant. As Mannheim seeks to attribute texts or utterances to a Weltanschauung, I seek to attribute certain authors and their readings of the 'invisible hand' to particular epistemological frameworks. Like Mannheim, who discusses classifying an undated painting by tracing elements of that painting that are indicative of a certain period, I am able to symptomatically read the texts of an author, examining the framing of the research problem and tracing this back to particular epistemological commitments. The second stage of sociological imputation, namely improving the knowledge of particular *Weltanschauungen,* is less relevant to the research being undertaken here. Whilst an increased knowledge of particular epistemological commitments is a welcome by-product of the research, this is *not* the intent. In line with Mannheim's approach, I seek to demonstrate the integral and inalienable role that epistemological frameworks play within the research process and thus the importance of acknowledging and analysing them. In short, I adopt the first stage of Mannheim's approach of sociological imputation and achieve the imputation of certain texts to particular epistemological frameworks by employing the method of an intertextual, symptomatic reading. Thus, it can be concluded that Mannheim's theoretical approach is both useful and illuminating for my research. His discussions relating to the existential-boundness of knowledge, and the methods by which we can explore this phenomenon, provide a way of thinking about, articulating and exploring the reading process as epistemologically-conditioned. This research does, however, centre specifically on how particular epistemological frameworks shape readings of the 'invisible hand' and, thus, the work of Reinhart Koselleck is introduced in order to provide a theoretical grounding for my engagement with this concept.

2.4.2 Reinhart Koselleck

Reinhart Koselleck (1923-2006) is "the foremost exponent and practitioner of *Begriffsgeschichte*" (Koselleck, 2002: 73). His approach of *Begriffsgeschichte* or *Conceptual History* "concerns itself (primarily) with texts and words" and is a way of theorizing that firstly identifies and acknowledges both the contingency and contested nature of political concepts and

then secondly, uses these features as a vehicle for the study and conceptualisation of politics (Palonen, 2002: 92).

The adoption of *Conceptual History* as an element of my theoretical framework underpins and enables two key aspects of my thesis. Firstly, Koselleck places significance upon the diachronic shift in a concept's meaning and thus this aspect of the framework is adopted to theoretically ground my analysis of shifts in the meaning of the 'invisible hand'. Secondly, Koselleck puts forth that analysing these shifts can elucidate our understanding of contributing contextual factors. This aspect underpins my decision to use shifts in the meaning of the 'invisible hand' as a gateway for exploring and understanding the impact and influence of differing epistemological frameworks. As a whole, the adoption of elements of Koselleck's theoretical approach enables me to not merely observe shifts in how the 'invisible hand' is read but rather to engage with these shifts and understand them as indicative of differing 'Epistemologies of Reading'. The following section shall outline Koselleck's *Begriffsgeschichte*, explain its key tenets and in turn justify its inclusion as one element of my theoretical framework.

Two caveats: firstly, while Koselleck is regarded as "the father of German *Begriffsgeschichte*" (Olesen, B.K., 2014: 153) Otto Brunner, Werner Conze, Erich Rothacker and Joachim Ritter have also made substantial contributions to its development. However, for the purpose of this thesis the work of *Begriffsgeschichte's* main proponent, Koselleck, forms the basis of my analysis. A notable exception to this is the book *Geschichtliche Grundbegriffe: Historisches Lexikon zur Politisch-Sozialen Sprache in Deutschland (1972)* (Basic Concepts in History: A Historical Dictionary of Political and Social Language in Germany) which was co-authored by Koselleck, Brunner and Conze. Secondly, Melvin and Michaela Richter have together undertaken the English translation of much of Koselleck's work and have been significant, along with Kari Palonen and Keith Tribe, in the reception of Koselleck in non-German speaking academic traditions (Olesen, B.K., 2014: 155). The reliance on translations of Koselleck's work constitutes a methodological weakness of my project. While this reliance cannot be avoided, I shall attempt to counter it by making this limitation explicit and ensuring constant reflexivity on my use, and choice, of translations.

Koselleck explains his approach of *Begriffsgeschichte* by demonstrating its relation to, and differences from, the orthodox understanding of history, known as 'social history'. He establishes that *Begriffsgeschichte* exists as both a fundamental element of social history in addition to being

an autonomous procedure. The conceptual historian seeks to determine how a concept has developed and changed over time and identify the historical-social context to these shifts in meaning (Richter, 1987: 248). Thus, *Conceptual History* has a diachronic focus. Koselleck (1985: 81) argues that to achieve this, the practitioner of *Begriffsgeschichte* should analyse a concept's development as well as its shifts in meaning while initially disregarding the context surrounding these events. Following the establishment of the evolution of the concept's meaning, the conceptual historian may then use this information as "a measure or indicator of past social structures of political events." Koselleck (1989: 649-650) claims that while language and history may be separated analytically for study, "all language is historically conditioned, and all history is linguistically conditioned" and on that basis "the investigation of concepts and their linguistic transformation is so very much a minimal condition for cognizing a history as its definition of having to do with human society". And thus, Koselleck successfully establishes the theoretical importance of a *Begriffsgeschichte* approach, both as an autonomous method and as an integral element of social history. Koselleck does, however, deny the possibility of a 'total history', firstly as it is empirically unrealizable (Koselleck, 2002: 23). And secondly, as there is an "unbridgeable difference" between the two approaches: "A history does not happen without speaking, but it is never identical with it, it cannot be reduced to it" (Ibid.). A historical action and the words employed to describe, and recount, said action are never completely corresponding.

It is the role of 'the concept', the *Begriffsgeschichte* approach's unit of analysis, that both differentiates it from similar methods, such as A.O. Lovejoy's History of Ideas, and makes it the appropriate conceptual approach for assessing types of reading of the 'invisible hand'. *Begriffsgeschichte's* "nearest Anglophone analogues" (Richter, 1995: 3) study ideologies, styles of thought or unit-ideas and therefore it is Koselleck's focus on the 'concept' that distinguishes his approach. Koselleck (1985: 83) is careful to explicitly define a 'concept' and distinguish it from a 'word': "Each concept is associated with a word, but not every word is a social and political concept." While words embody a singular meaning, concepts embody a number of meanings and a "plenitude of a politicosocial context of meaning and experience" (Ibid: 84). Koselleck (Ibid.) invokes the concept of the 'state' in order to demonstrate the multitude of meanings that can be retained within a concept: "domination, domain, bourgeoisie, legislation, jurisdiction, administration, taxation, and army." Koselleck's *Begriffsgeschichte* provides the appropriate theoretical foundation for studying readings of the 'invisible hand' for

two reasons, firstly, the 'invisible hand', while never referred to by Koselleck, satisfies his conditions of a 'concept' and secondly, the 'invisible hand' can be understood as both an indicator of, and factor in, historical change.

It must be noted that Koselleck's (2011: 7) basic concepts, 130 of which were chosen by Koselleck and his colleagues to form the basis of his *Geschichtliche Grundbegriffe (GG)*, are understood as "defining concepts (*Leitbegriffe*)" that "because of their range of meaning and applications, make it possible to analyse historical structures and major complexes of events." In saying that the 'invisible hand' satisfies Koselleck's condition of a concept, I am *not* arguing that it ought to have featured in the *GG* but rather that it is a suitable object of analysis when adopting Koselleck's approach. Taken together, the words 'invisible' and 'hand' possess a meaning that goes far beyond their literal understanding of an unseen limb. As this thesis shall demonstrate, the concept holds a number of different meanings for different readers and within different time periods, these include (but are not limited to): the 'invisible hand' as God; the moral justification for self-seeking corporate behaviour; the price mechanism; perfect competition; simply a joke and a force that secures the nation. It is clear that the 'invisible hand' embodies a number of meanings and, furthermore, that these meanings change over time and in relation to the various conditions under which the readers labour. Koselleck (2011: 8) argues that the concepts chosen with the GG are "building blocks for a type of research that considers social and political language, particularly the specialized terminology of these domains, both as causal factors and as indicators of historical change." Thus, concepts are both factors in *and* indicators of historical change. *Begriffsgeschichte* goes beyond a semasiological approach that simply assesses the shifts in meaning of a word over a period of time, instead it seeks to link these shifts in meaning to historical changes, it asks: if these shifts in meaning are a consequence of a historical event or whether these shifts in meaning actually altered the "horizon for potential and conceivable" history (Koselleck, 1985: 84). As shall be demonstrated throughout my analysis chapters, changes in readings of the 'invisible hand' and the related changes in the epistemological commitments underpinning them, indicate shifts within disciplines and changes in intellectual emphasis.

2.4.3 Quentin Skinner

While the *Sociology of Knowledge* provides a theoretical grounding for studying the relationship between reading and epistemology and *Conceptual History* provides it for studying the change and contingency of readings of the 'invisible hand', Skinner's approach is employed as a

theoretical foundation for the processes of interpretation within the thesis. As I stated in the introduction, my engagement with Skinner's theoretical framework provides seven standards of interpretation. These standards are used as *both* a guide to my own processes of interpretation and a yardstick against which I may evaluate types of reading of the 'invisible hand'. The following section focuses on my engagement with Skinner as a guide for my own reading and in my final analysis chapter, *A Skinnerian Evaluation*, I return to his framework and the seven standards of interpretation with the goal of evaluating readings of the 'invisible hand'.

To ensure the academic rigour of my research, the processes of reading and interpretation, which form a fundamental aspect of my research, must be theoretically grounded. Quentin Skinner's work on hermeneutics provides this grounding. From an engagement with Skinner's work, I have gleaned seven standards of interpretation; these standards can be grouped on the basis that they are each, in varying ways, a call for the reader to not 'read in' to the text their own various opinions and prejudices.

Readings should:

- be close, thorough and detailed;
- not be anachronistic;
- be based upon both the text and its context;
- be built upon an engagement with the author's entire oeuvre;
- not interpret scattered remarks to be the author's doctrine;
- not 'read in' historical significance, and;
- ensure that the 'sense' and 'reference' of the work is approached in a historically-aware manner.

These seven standards, while presented here independently, are interrelated and interlinked. For example, a reading that does not 'read in' historical significance could, perhaps, only be achieved by a reader that is also close, thorough and detailed. Similarly, a reader that fails to approach the 'sense' of a work in a historically-aware manner is more likely to also be ignorant of the historical context within which the text was written.

Skinner himself does not explicitly establish these seven standards of reading. Rather, they have been established through an engagement with Skinner's discussions in 'Meaning and

Understanding in the History of Ideas' (1969) and 'Motives, Intentions and Interpretation' (1972). His views, comments and critiques expounded in these articles have been re-framed as a set of standards or rules. In 'Motives, Intentions and Interpretation' (1972: 395), Skinner explicitly sets out that the first rule of interpretation is to perform a close, detailed and thorough reading of the given text. The remaining six 'standards' for reading have been produced through an engagement with Skinner's critique of orthodox approaches to reading, outlined in 'Meaning and Understanding in the History of Ideas' (1969). Skinner (1969: 3) asks, "what are the appropriate procedures to adopt in the attempt to arrive at an understanding of [a piece of] work?". He then goes on to systematically examine weaknesses in orthodox answers to this question. Stating that, for example, orthodox approaches to interpretation produce anachronistic readings. As I shall demonstrate in the following paragraph, I have taken each element of Skinner's critique and simply inversed it, producing standards against which a reading might be assessed. For example, his critique that orthodox approaches to interpretation produce anachronistic readings has resulted in the standard that readings ought not to be anachronistic. This 'inversion' falls in line with Skinner's normative claim that his critique, while seemingly "critical and negative" can also yield "positive" results by not only demonstrating the need for an alternative approach to interpretation but also indicating "what type of approach must necessarily be adopted if such confusions are to be avoided" (Skinner, 1969: 4). Through my engagement with Skinner, I have produced the 'standards' by which an alternative approach must measure up.

Skinner (1969) critiques orthodox, and widely accepted methodological approaches to the interpretation of a text. He focuses upon the 'text-oriented methodology' which is "dictated by the claim that the text itself should form the self-sufficient object of inquiry and understanding" (Ibid.) and, therefore, is not a "sufficient or even appropriate means of achieving a proper understanding of any given literary or philosophical work" (Ibid.). I shall discuss Skinner's critique of this orthodox approach to reading and, in turn, demonstrate how I established the remaining six standards of interpretation.

A text-oriented approach is plagued with a number of deficiencies that Skinner classifies into four different 'mythologies': the 'mythology of doctrine'; the 'mythology of coherence'; the 'mythology of prolepsis' and the 'mythology of parochialism'. Skinner employs the word 'mythology' here in "the sense that the history written according to this methodology can scarcely contain any genuinely historical reports about thoughts that were actually thought in the

past" (Ibid: 22). In other words, this approach to interpretation creates 'myths' rather than genuine historical reports.

A 'mythology of doctrine' classifies two forms of reading. Firstly, those that misinterpret minor or infrequent remarks made by an author as that author's 'doctrine' on a theme anticipated by the reader. Here the reader is 'reading in' their own ideas into the text, failing to remain impartial and instead allowing their own prejudices to affect what they can glean from the text in question. The decision to produce a 'doctrine' from the scattered remarks of an author may be underpinned by a desire to over-emphasise a particular aspect of the author's work, this may serve the reader if they choose to invoke said doctrine in their own work. The second form of a 'mythology of doctrine' includes those that employ the work of classic writers to remark upon modern events or policies that simply could not have been within the remit of the author. This can be understood as anachronistic and such readings are regarded as deficient: Richard Rorty (1984) argues that while one may claim that a deceased author could potentially have been "driven to a view" through discussion and argument were they alive, one *cannot* imply that the author had an "implicit view on the topic which we can dig out of what he wrote" (Rorty, 1984: 63-64).

The second set of deficiencies associated with a text-oriented approach to reading are labelled the 'mythologies of coherence'. Such interpretations seek to create 'coherent' interpretations of historical texts and may do so in two ways. Firstly, these readers might simply "discount the statements of intention which the author himself may have made about what he was doing or even to discount whole works which would impair the coherence of the author's system" (Skinner, 1969: 18). Alternatively, to achieve coherence these readers might instead claim that there "cannot really be contradictions" in a work, it is always coherent. Resultingly, they create a narrative that accounts for any inconsistencies, changes in direction or contradictions within a work so as to minimise them and their divergence from the rest of the text. To counter such a 'mythology of coherence' a reader must engage fully with an author's entire oeuvre, including any 'incoherencies' that may exist.

Skinner discusses a further mythology, the 'mythology of prolepsis' which is characterised by a situation in which a reader ascribes to a text a "retrospective significance" (Ibid: 22). They understand the significance of the text not in the way in which the writer would have understood it but rather with regard to the way in which a "classic text might be said to have for us" (Ibid.). For example, an author may be committing a 'mythology of prolepsis' when they discuss Smith's

Wealth of Nations as a 'foundational text of modern capitalism', this is understanding the significance of the text in the modern reader's terms as opposed to in Smith's own terms. Smith's intention could not have been to produce a foundational capitalist text as "to give such a description requires concepts which were only available at a later time"; it is, to use Skinner's own words again, the "conflation of the necessary asymmetry between the significance an observer may justifiably claim to find in a given statement or action, and the meaning of that action itself" (Ibid: 23). Thus, when reading we can, of course, acknowledge and comment upon the historical significance of a text, however, we must not conflate this with our account of what an author was actually seeking to do, their intention in writing and their intention for the text's significance.

Skinner goes on to discuss a further common deficiency of interpretation, a 'mythology of parochialism'. He explains that even when a reader manages to avoid the mythologies of doctrine, coherence and prolepsis, they are still faced with the task of producing a "correct description simply of the contents and arguments of a given classic text" and such a task may amount to a 'mythology of parochialism' (Ibid: 24). Such a deficiency may arise in any instance when a reader is asked "to understand an alien culture of an unfamiliar conceptual scheme" (Ibid.). To be able to communicate her own understanding of this historical text through the means of writing or speech, the reader must necessarily present this understanding in terms that their own audience will understand and thus will apply her "own familiar criteria of classification and discrimination" (Ibid.). Such an "inescapable" element of interpretation can result in two different forms of parochialism (Ibid.). Firstly, a problem may arise in the reader's communication of the apparent reference of a particular statement, idea or concept in a classic work. From this reader's point of view, looking back on the text, they might see a particular statement as either relating to, or contradicting with an earlier author or classic text. They might, therefore, suggest that the classic text they are reading is, in fact, referring to this earlier work, author or idea. Skinner explains that while such a means of interpretation may increase our capacity for understanding and explaining a text, it is problematic when there is not sufficient evidence to suggest this reference or influence from an earlier work is real (Ibid: 26). For such an influence to be considered valid and thus able to increase our understanding of the original work it must reach the following three conditions: a) there must be a genuine similarity between the classic text or statement and the author, text or idea it is said to be influenced by, b) there is no alternative author, text or idea that could have provided the same influence and c) it is very

unlikely to be a random occurrence (Ibid.). An example of such an occurrence can be identified in those that read Adam Smith's 'invisible hand' as a reference to his predecessor Bernard Mandeville's discussion of private vices as public benefit (Rauwald, 2019). The seeming 'identification' of this reference underpins a particularly stark reading of the 'invisible hand', a reading that invokes the concept not merely as a defence of selfishness but also that draws a moral corollary from it, claiming that people and businesses *ought to* pursue their own 'private vices'. When we compare this claim of reference and influence against the three conditions above, we find that it may, in fact, fail to satisfy all three conditions. There is a second way in which the 'inescapable' task of understanding and communicating past ideas according to our own modern "familiar criteria of classification and discrimination" might produce a 'mythology of parochialism' (Skinner, 1969: 26). One might mis-describe the 'sense' of a classic text, the reader may "conceptualize an argument in such a way that its alien elements are dissolved into an apparent but misleading familiarity" (Ibid: 27). As readers we cannot escape our own criteria of classification and thus, we may 'read in' to a text certain ideas that, in our own terms, seem familiar with what the author is saying. Skinner illustrates his point using an example: we might read about a political movement's call for the right to vote. The reader, familiar with this idea of a call for the right to vote being related to a call for democracy 'reads in' to the text this understanding. The result is the conflation of that political movement's objective with a call for democracy. This is, however, not a result of an understanding of the political movement on its own terms but rather a result of the reader approaching the text "with preconceived paradigms" and thus misdescribing the 'sense' of the work (Ibid: 28).

Engagement with Skinner's work has produced the seven standards of interpretation outlined in Chapter Two, Section 2.4.3. My own processes of reading and interpretation, detailed over the coming analysis chapters, have been undertaken in line with these standards. Assessing my success in adhering to them is ultimately up to my reader, however, this is my explicit goal.

2.5 Reflections on Diversity

Throughout my 'Approach to Research' chapter, I hope to have been open and explicit regarding the limitations of my research. However, prior to embarking upon my analysis, I would like to provide one further reflection on my work, namely the significant lack of diversity amongst the authors with whom I engage. I am acutely aware that the vast majority of scholars I examine are

white men and, consequently, my thesis does not adequately engage with the works of women or people of colour.

This is a regrettable feature of my thesis and certainly limits the scope of my research. It is, however, unsurprising for two reasons. Firstly, in my experience the discipline of intellectual history generally, and Smithian scholarship specifically, lacks diversity. As my research requires me to analyse those that read the 'invisible hand', this lack of diversity has been transplanted into my own work. Secondly, my selection of representative authors was made on the basis of Google citation information; the higher the citations, the more impactful I deemed a paper and therefore the more likely I was to select the author as a representative. In selecting this as a method, I failed to acknowledge and account for the gender citation gap, the fact that women are systematically less cited (Maliniak et al., 2013, see also Brun & Ferber, 2011). Therefore, I have (unknowingly) potentially limited the female voice in my thesis through my use of this method for selection. Whilst this is certainly a limitation and something I would address in any future projects; I do not believe it has hindered my ability to address my research question. Despite the lack of diversity within this thesis, I am still able to make the argument that specific epistemological commitments underpin specific readings of the 'invisible hand'. However, this argument must be caveated with the acknowledgement that the readings discussed are almost exclusively white and male. And in line with the central argument of this thesis, I hold that the gender and ethnicity of an individual – much like their education, class or epistemology – may impact upon their reading. This is not to suggest that an individual's gender or ethnicity would produce a specific reading – this is made abundantly clear from the fact that the thesis discusses 7 different types of reading all committed by men. These factors - like all other conditioning factors - are not causal. But rather, I suggest that gender and ethnicity should be regarded as knowledge-constitutive factors. As such, the lack of diversity within my thesis might be understood as limiting my engagement with the breadth of knowledge constitutive factors. Identifying gender and ethnicity as knowledge-constitutive factors opens up the possibility of research into the extent and way in which they impact upon reading. Such questions lie outside of the purview of this thesis, but I would like to acknowledge their importance.

Chapter 3. The 'Transcendental' Reading

3.1 Introduction

Modern-day discussions of political economy, and all academic subjects for that matter, rarely refer to God or any other spiritual, transcendental actors or forces. That is unless researchers are speaking about the beliefs of their predecessors. There is no doubt that political economy has become increasingly secular since the time of Smith's writings. Thus, the social and religious context in which we find ourselves reading Smith contrasts significantly to the context within which he was writing. There are a set of readings of the 'invisible hand' that, as a response to this difference in context, seek to re-establish and re-invigorate the religious elements of Smith's work and do so by reading the phrase in a transcendental manner. This chapter examines these reading, what I call 'Transcendental' readings. The 'Transcendental' ideal-type includes those individual readings, discovered through my *NVivo* analysis, that understand the 'invisible hand' to be God, 'Natural Forces', 'Natural Liberty' or as the 'Wisdom of Nature' – they are grouped together on the basis that they all understand the 'invisible hand' to be other-worldly, a directing mechanism that exists outside of the realm and control of human beings. Within this over-arching ideal-type there are two key forms of reading: one which is explicit and the other implicit or, in other words, one which can be deemed a 'reading' and the other a 'non-reading'. A 'Transcendental' *reading* is, quite simply, an explicit engagement with the 'invisible hand' in such a way as to assign it the meaning of an other-worldly mechanism, such as God. A 'Transcendental' *non-reading* consists of those that engage with, and quote extensively from, the passages within which Smith mentions the 'invisible hand', however, they do not refer to, quote or paraphrase the concept itself, they do not provide a reading. The regular occurrence of such a phenomenon in the late 18th and early 19th century has led to its inclusion as a type of reading of the 'invisible hand'. Both forms of reading are considered 'Transcendental' and thus both shall be explored here. However, as shall be elaborated upon in the coming pages, I am only able to divulge and examine the epistemological framework that conditions the explicit 'Transcendental' engagements. I begin by discussing the 'non-reading', introducing its associated authors and explaining its inclusion in the 'Transcendental' ideal-type. Exploring these non-readings, committed by Smith's contemporaries, provides historical context to the later, more explicit readings of the 'invisible hand' as an other-worldly mechanism. In a second step, I discuss the explicit 'Transcendental' readings. Authors Alec Macfie and Jacob Viner are employed in a

representative capacity on the basis of the high impact of their readings. Through an intertextual, symptomatic reading of their works, I am able to divulge their epistemological frameworks and thus demonstrate how their understanding of knowledge - how it can be deemed valid, measured and increased - impacts upon their reading of the 'invisible hand'.

3.2 'Non-Readings' of the 'Invisible Hand'

In stark contrast to the significance placed upon the 'invisible hand' in modern times, Smith's contemporaries placed little to no importance on the phrase (Rothschild, 2001: 118). They engage with and quote extensively from the passages within which Smith mentions the 'invisible hand', however, they do not refer to, quote or paraphrase the concept itself. What an author includes, does not include, comments upon and does not comment upon is indicative of the conditions of knowledge under which they are writing (Althusser, 1970: 24). This idea, that a non-reading can reveal something about the conditions of knowledge under which it was produced, becomes more pertinent when we understand that such a non-reading was a common occurrence amongst numerous authors and took place within one particular time period, namely the mid to late 18th century. Non-readings, therefore, cannot simply be dismissed as one author's failure to engage with the phrase but rather they are a shared phenomenon, an indication of a particular way of relating to the 'invisible hand', not merely a one-off. The question remains, why do Smith's contemporaries fail to engage with the phrase? Oslington (2012) argues that one of the reasons early readers of Smith did not focus upon the 'invisible hand' is because they "regarded its religious associations as obvious", for them it was a "divine hand" (Oslington, 2012: 430). They saw in Smith's work a phrase that aligned with their own theological frameworks. For these readers, who believed the 'invisible hand' represented Providence, there was no point of contestation, contradiction or surprise that drew their attention or led to their engagement with the phrase. As Harrison (2011) claims, when Smith came to use the phrase it was already common and appeared in a variety of contexts and "by far the most common involved reference to God's oversight of human history and to his control of the operations of nature" (Harrison, 2011: 30-31). On that basis, he argues that when Smith's contemporaries came across the 'invisible hand', they would have experienced two thoughts, firstly that Smith was "referring to God's unseen agency in political economy" and secondly, that this was a common, and thus unexceptional, use of the phrase at the time (Ibid.).

Such a 'non-reading' of the phrase can be found in the first review of *The Wealth of Nations.* The *WON* was published in London in early March 1776 and its first review was printed in the *Monthly Review*, in four segments across two volumes, also published in 1776. Each of these four segments, amongst many others in the periodical, were written by an author identified only as 'Cadell'. The *Monthly Review* provides no additional biographical information about this author, however, Keith Tribe (2002:19-21) identifies 'Thomas Cadell' as one of the two publishers that produced the first two editions of *The Wealth of Nations.* On this basis, it might be reasonably assumed that both 'Cadells' are, in fact, the same man. Therefore, it can be expected that Cadell, as both the reviewer and publisher of *WON* in addition to his role in publishing the 3rd – 7th editions of *Theory of Moral Sentiments*, was exceptionally knowledgeable of Smith and his published works.

The review is divided across four extensive segments which reflects the profundity of this evaluation and, most likely, the perceived importance of *The Wealth of Nations*. Cadell explains that his central goal in reviewing Smith's work is to lay before the reader "a connected view of the general plan and most interesting particulars of this inquiry, in the form of abstract, without confining ourselves to the words of our author" (Cadell, 1776: 300). Cadell reviews Book IV of *The Wealth of Nations,* 'Of Systems of Political Economy', which is home to the 'invisible hand', in an independent eleven-page appraisal. When outlining the key principles of this Book, Cadell states:

> *...every individual will endeavour to employ his capital as near home as he can, and consequently as much as he can in support of domestic industry, provided he can nearly obtain the ordinary profits of stock; and will therefore employ it most advantageously to his country, by directing it into that channel which will give revenue and employment to the greatest number of people of his own country. And every individual who employs his capital in the support of domestic industry, naturally endeavours to direct it in the most profitable manner. Every individual therefore necessarily labours to render the annual revenue of the society as great as he can, without immediately intending it.*
>
> Cadell, 1776: 18

The section he is paraphrasing in Smith is as follows:

> *By preferring the support of domestic to that of foreign industry, he intends only his own security; and by directing that industry in such a manner as its produce may be of the greatest value, he intends only his own gain, and he is in this, as in many other cases, led by an invisible hand to promote an end which*

> *was no part of his intention. Nor is it always the worse for the society that it was no part of it. By pursuing his own interest he frequently promotes that of the society more effectually than when he really intends to promote it.*
>
> Smith, 1776 WON, IV, II

Here, Cadell paraphrases Smith's argument not only without quoting the 'invisible hand' but also without using another concept to perform the role of the 'invisible hand'. Smith states that a merchant trades domestically and in order to produce profit. As a consequence, he is "led by an invisible hand" to promote the public interest. In Cadell's review, he states that a merchant who trades domestically and in a profitable manner benefits wider society. This observation is important as it demonstrates two key points. Firstly, for Cadell the 'invisible hand' was not deemed significant enough to be quoted verbatim. And secondly, that Cadell believed he could summarise Smith's argument without referring to the role that the 'invisible hand' played. Thus, this first review of the *WON* does not quote, reference or even insinuate the existence of the 'invisible hand' and thus meets the conditions of a 'non-reading'.

This 'non-reading' is mirrored in the first reviews of *The Theory of Moral Sentiments* published in *The Monthly Review* and *The Critical Review*. Both reviews were authored by A. Millar, a regular contributor to these periodicals in addition to being the co-publisher of *TMS.* In *The Monthly Review*, Millar wrote an extensive review of *TMS* in which he systematically outlines the five elements of Smith's theory, of which *Sympathy* is the first. Millar (1759: 18) claims that while the reviewer ought not to make statements about the accuracy of a given author, Adam Smith is, "without any partiality to the author, […] one of the most elegant and agreeable writers, upon morals, that we are acquainted with." His review, which quotes large sections of Smith's work, provides a systematic overview of Smith's theory. Millar provides a specific review of Part IV, 'Of the Effect of Utility Upon the Sentiment of Approbation', the Part in which the 'invisible hand' appears. Millar highlights the central themes of this part: that, with regard to the approval or disapproval of another, the 'utility' or 'hurtfulness' and 'beauty' or 'deformity' of an individual's conduct play a central role. He does not, however, refer directly to, or paraphrase, Smith's concept of the 'invisible hand'. Similarly, in Millar's second review published in *The Critical Review* in May of 1759, he allocates a substantial amount of his space to explaining the key themes of Part IV of *TMS* and, once again, the phrase 'invisible hand' is neither quoted nor paraphrased.

Thus, the first reviews of both of Smith's published works feature non-readings of the 'invisible hand'. These reviews are thorough and profound, furthermore, their authors can safely be assumed to be knowledgeable of Smith's work and ideas. What is clear, however, is that these authors did not regard the 'invisible hand', or the role that it played, to be worthy of examination. Whilst the very nature of a 'non-reading' prevents me from being able to say with certainty how the reviewers understood the phrase, what can be hypothesised is that, for these authors, the 'invisible hand' was simply God, a phenomenon that in the 1700s was both expected and commonplace (Harrison, 2011).

Dugald Stewart (1753-1828), who held the Chair of Moral Philosophy at Edinburgh University, composed the first biography of Smith: 'Account of the Life and Writings of Adam Smith LL.D.', published in 1793. Depoortere & Ruellou (2016) explain that Stewart enjoyed substantial scholarly influence; he was the first person to lecture on *Political Economy* in the United Kingdom and also a key figure in the recognition of the Scottish Enlightenment. Furthermore, Stewart was a good friend of Smith's and valued his work highly; in his records he recounts a trip with both Smith and Burke and states: "Burke spoke highly of his wealth of nations – 'an excellent digest of all that is valuable in economics' […] I think he rather spoke correctly of the Theory" (Edinburgh University Archives, DC.6.111.18). Stewart's biography of Smith is split into four chapters: two biographical chapters outlining the life and education of Smith and two review chapters, one centred on *TMS* and the other on *WON.* Throughout, he firmly establishes Smith as a moral philosopher in pursuit of the betterment of human society and the establishment of greater happiness. Despite the profundity of Stewart's biography, the book does not single out, reference or comment upon Smith's 'invisible hand'. Once again, it is illustrated that this phrase plays no role in this 18th-century reading, an omission that could scarcely be imagined in a modern-day biography of Smith.

In 1800, following the publication of his biography of Smith, Stewart became the first person to lecture on the subject of Political Economy in the UK. These lectures, delivered in the first decade of the 19th century to students at Edinburgh University, were published in two volumes posthumously. The work of Smith had a profound influence over the content and direction of these lectures, Stewart (1856: 5) even states that "What I have to offer on this subject, I must again remind you, will be little more than an abridgement of Mr Smith's argument." The lectures contain an abundance of references to, and quotes from, the work of Smith but Stewart himself does not mention the 'invisible hand'. However, the phrase is found in in Appendix III to the

lecture on the Mercantile Political Economy. It is not in Stewart's original lecture materials, rather, it appears in lecture notes taken by a student that the publisher refers to simply as Mr Bonar. The lecture notes demonstrate that in offering an abridged version of Book IV of the *WON*, Stewart mentioned the 'invisible hand'. However, Mr Bonar's work contains no further comments or analysis of the phrase and therefore one of two things must be assumed: firstly, that Stewart made no further comments on the phrase beyond simply reciting it or secondly, that Mr Bonar failed to note down Stewart's comments. In both cases, the implication is the perceived un-importance of the phrase. Thus, Smith's work formed an integral element of the foundation of *Political Economy* in the UK, and yet his concept of the 'invisible hand' featured only in a student's notes in neither a prominent nor substantial manner.

Once again, due to the nature of the non-reading I cannot say with certainty how Smith's contemporaries understood the phrase. However, what can be suggested is that they are the result of an understanding of the 'invisible hand' as God. Such an understanding of the phrase would have been commonplace and unexceptional and thus would eliminate the need for further discussion, comment or justification.

3.3 'Transcendental' Reading

My *NVivo* analysis identified a number of explicitly 'Transcendental' readings, this ideal-type includes those that understand the 'invisible hand' as God, as Natural Forces, as Natural Liberty or as the Wisdom of Nature. These sub-type readings have been grouped on the basis that they understand the 'invisible hand' to be other-worldly, a directing mechanism that exists outside of the realm and control of human beings. The following section examines the 'Epistemologies of Reading' associated with this ideal-type through an engagement with the work of representative authors, Alec Macfie and Jacob Viner.

3.4 Alec Macfie's Reading of the 'Invisible Hand'

Alec Macfie (1898-1980) held the Adam Smith Chair in Political Economy at the University of Glasgow from 1945 until he retired in 1958. In 1971, he published a short paper, *The Invisible Hand of Jupiter,* that offers a comprehensive analysis of all three of Smith's uses of the 'invisible hand', their similarities and distinctions. Macfie (1971: 595) explains that in the *HoA*, Smith speaks of "'the invisible hand of Jupiter,' (or of any of the major classical gods) not of the Christian Deity, as in the Moral Sentiments and the Wealth of Nations". Macfie re-iterates this

reading throughout the publication by regularly speaking of the "divine invisible hand" and interchanging the 'invisible hand' with 'the Deity' (Ibid.). Thus, the 'invisible hand', according to Macfie, is in all three of Smith's publications a God but only in the form of a Christian Deity in *TMS* and *WON*. Macfie's readers are, however, urged to not regard this difference as indicative of a contradiction or inconsistency in Smith's work: in *HoA*, Smith is describing the "savage's" view whereas in the following two books, Smith is expressing his own view on the characteristics of "Providence" (Ibid: 596).

3.5 Macfie's Epistemological Commitments

Macfie's reading of the 'invisible hand' as God firmly justifies his classification as a 'Transcendental' reader. The following section explores the epistemological commitments that underpin and inform Macfie's reading. These commitments have been gleaned from a symptomatic, intertextual engagement with four of Macfie's texts: his paper that focuses specifically on the 'invisible hand', 'The Invisible Hand of Jupiter' (1971) ; his paper 'The Scottish Tradition in Economic Thought' (2009); 'Adam Smith's Moral Sentiments as Foundation for His Wealth of Nations' (1959) and, his co-authored introduction to *The Glasgow Edition of the Works and Correspondence of Adam Smith, Vol.1: The Theory of Moral Sentiments* (1976). Macfie's 'Epistemology of Reading' is characterised by his commitment to intertextuality and his holistic approach in addition to his preference for research that is historically situated. I shall unpack each of these claims before demonstrating specifically how these commitments shape Macfie's reading of Smith.

3.5.1 Intertextuality & Holism

Macfie's commitment to intertextuality and what I term here as 'holism' are closely connected. Macfie states that valid knowledge of Smith's works and theories must account for his ethical *and* economic reflections - they must be holistic - and, as Smith has chosen to have different focuses in both *TMS* and *WON,* this entails an intertextual reading. It is difficult to discern whether, generally speaking, Macfie has a commitment to intertextual reading, however, what is clear is that his commitment to holism means that when engaging with Smith, he does so in an intertextual manner.

Macfie's intertextuality is demonstrated most clearly in his 1971 paper 'The Invisible Hand of Jupiter', in which he discusses all three of Smith's uses of the phrase collectively. As stated

above, he reads the 'invisible hand' to be God in all three instances, but only a Christian Deity in *TMS* and *WON*. Furthermore, the role that the 'invisible hand' plays is also distinct: in the HoA, the "favour" or "anger" of the 'invisible hand of Jupiter' is used to explain the "irregular events of nature", events such as "thunder and lightning, storms and sunshine" (Macfie, 1971: 595). Conversely, in the *TMS* and *WON*, the 'invisible hand' seeks to preserve the natural order and "intervenes 'to advance the interest of the society' when it is threatened or injured by the intentions of individuals motivated by their own very narrow aims in satisfying their own 'self-love'" (Ibid.). As stated above, Macfie argues that despite the differences between the capricious and order-preserving 'invisible hand', "there is no inconsistency" between them. This is because in the first instance, HoA, Smith is describing the "savage's" view whereas in the following two books Smith is expressing his own.

Macfie acknowledges that mainstream interpretations of the 'invisible hand' focus almost exclusively on Smith's *WON*, with a small exception that engage with *TMS*, but claims that he is not aware of any interpretations that deal substantially –as he does- with the 'invisible hand' in the *HoA*. Macfie also argues, contrary to popular practice, that *TMS* is where Smith "fully stated" the 'invisible hand' and that this passage acts as a "parent statement of the invisible hand" which effectively links the "theological, ethical, and economic aspects of Smith's doctrine" (Ibid.). The use of the phrase 'parent statement' is a clear indication of Macfie's belief in the relation between the two publications, his epistemological assumption that to gain valid knowledge of them they should be read conjointly and his consequent intertextual approach to reading.

This epistemological commitment is further demonstrated in Macfie's earlier paper: 'Adam Smith's Moral Sentiments as Foundation for his Wealth of Nations'. The name itself being a clear indication of Macfie's intertextuality. Macfie (1959) uses the second centenary of the publication of *TMS* as an opportunity to consider the connection between this and Smith's later publication *WON,* by looking at the shared contents of each book. One area of focus for Macfie is the 'invisible hand' which, as we know, appears in both publications. Macfie states that Smith's conception of the 'invisible hand' is "carried over from the Moral Sentiments into the Wealth of Nations" (Macfie, 1959: 211). Furthermore, he explicitly claims that in both publications the 'invisible hand' "remains to control the individual conflicts and excesses of competition, and to safeguard the public good through healthy competition. Such is his faith" (Ibid: 212). Thus, to understand one is to better your understanding of the other.

Underpinning Macfie's epistemological commitment to intertextuality is his belief that knowledge of Political Economy should account not merely for economic factors but also for social, political and ethical influences upon the economic system. He prefaces his Papers on Adam Smith by stating that

> *"it is my conviction that Smith has rarely been properly estimated by economists who have not specialised on him in particular, and on the history of economic and ethical thought in general. What is here written seeks to emphasize that he himself would not have regarded his work as primarily economic"*
>
> Macfie, 2003 [1967]: 13

Thus, in this particular publication, and in his work more generally, Macfie sets out to understand Smith not primarily as an economist but in light of Smith's "constant effort to bind together the theological, jurisprudential, ethical, and economic arguments into one comprehensive, interrelated system of thought – his interpretation of the 'great system of nature'" (Macfie, 1971: 599). This commitment to understanding and studying political economy not exclusively as an economic system directly impacts upon Macfie's reading of the 'invisible hand'. It also underpins his intertextual approach. As discussed above, Macfie establishes the 'invisible hand' of *TMS* as the "parent" statement of the phrase and justifies this classification on the basis that here it links "the theological, ethical and economic aspects" of Smith's doctrine (Ibid: 596). This sits in contrast to the 'invisible hand' of The Wealth of Nations where Smith's "treatment is purely economic". For this reason, Macfie claims that *TMS* is where the 'invisible hand' is most "fully stated". Only as a result of this intertextual linking and Macfie's connection between the ethical and economic, is he able to characterise the 'invisible hand' as God in *both* publications, despite God playing a significantly limited role in *WON*.

Macfie's linking of Smith's ethical and economic elements can be seen to impact upon his reading of the 'invisible hand' in a further way. In *TMS*, Smith describes the Deity as "omnipotent, omniscient, and benevolent" (Ibid: 597). One of the means by which the Deity creates benevolence and good public outcomes is by implanting in individuals particular instincts, passions or desires (Ibid.). In other words, "God's purposes are positively achieved and unfolded indirectly through men's activities" (Ibid.), God is understood as playing a "moral function" within Smith's works (Fleischacker, 2004: 45). And thus for Smith, Macfie claims, the behaviour of individuals is governed by God. Relatedly, the achievement of the public interest, the ethical

outcome toward which society is geared, can also be understood as being achieved through the mechanism of a God implanting passions and desires into individuals. To summarise, Macfie reads the 'invisible hand' as God, turning 'men's activities' into the "greatest good for all" (Macfie, 2003: 78; see also Evensky, 1993 :200 who shares this understanding). This reading can be seen to be impacted by Macfie's understanding of the relationship between Smith's ethical doctrines and the role of God. The 'invisible hand' achieves the public interest and does so through the co-ordination of the actions of individuals and therefore – according to Macfie's interpretation of Smith's ethics – the phrase equates with 'God'. Such a reading has come about because of Macfie' epistemological commitment to understanding Smith's economic reflections in relation to his ethics. In short, we can only fully understand Macfie's reading of the 'invisible hand' in conjunction with his demand that ethics and economics be understood as interrelated, in addition to his belief that, for Smith, ethical outcomes are achieved through the means of a Deity.

3.5.2 Historically Situated Research

Macfie delivered a lecture in 1955 on 'The Scottish Tradition in Economic Thought'. In this lecture, Macfie identifies a "quite specific doctrine and method in Scots economic thinking, especially clear and influential between roughly 1730 and 1870" and thus a tradition of which Smith was a member (Macfie, 2009: 390). Macfie's key contention was that there is a characteristic Scottish attitude and method that ought to be examined and that the thinkers of the time ought to be understood in light of this distinctive approach. This Scottish approach is referred to by Macfie as the 'philosophical' or 'social' approach and Macfie singles out "Smith's genius" as one of the key factors in its creation and development. It is explicitly stated by Macfie that to understand Smith adequately one must understand him within this Scottish context:

> *Just because Smith is a world figure, we are apt to ignore his completely Scottish character. We cannot begin to understand him, especially what are often thought of as his weaknesses, if we this ignore his roots, for the Scottish method was more concerned with giving a broad well balanced comprehensive picture seen from different points of view than with logical rigour […] Adam Smith was taught in a burgh school in Kirkcaldy, and later in the normal courses of a Scots university up the knowledge, methods and aims of his own thinking. He was not building on air or mere personal talent...*
>
> Macfie, 2009: 392- 394

There are a number of implications resulting from the argument that we must read Smith within his particular Scottish, historical context. Firstly, that because of Smith's Scottish tradition his writings and thought are not immediately translatable into the modern, analytical approach. Macfie speaks specifically about the mathematization of classical Scottish work and explains that "Scottish philosophical and mathematical methods do not blend […] the assumptions in the first are normative, in the second exact" (Ibid: 393). Secondly, the relatively modern tradition of studying Economics as an independent sphere sits in contrast to the Scottish tradition that understood economics to be interlaced with ethical, moral, social and political concerns (Ibid: 407). To make this point Macfie quotes Scottish philosopher Edward Caird:

> *The practical value of the social science of the future will depend not only on the way in which we break up the complete problem of our existence into manageable parts, but as much and even more upon the way in which we able to gather the elements together again, and to see how they act and react upon each other in the living movement of the social body*
>
> Edward Caird in Macfie, 2009: 407

There are two further implications of Macfie's argument that are relevant for understanding his reading of the 'invisible hand' as God. Firstly, and most obviously, Macfie discusses the significant role played by the Church and religion in the creation of the Scottish tradition (Ibid: 408). Thus, he is acknowledging the explicitly religious context within which Smith was writing. Such an acknowledgement has a clear and direct impact upon his decision to read the 'invisible hand' as God. Secondly, Macfie reflects on Smith's normative goals, goals relating to the betterment of humanity and society. More specifically, Macfie discusses Smith's conceptualisation of natural liberty as a mechanism that leads to benefits for humanity and society. Macfie claims that Smith's view has "received a deceptive twist from history, from the individualism of the industrial developments, and the interpreters, apologists and critics, of the Industrial Revolution [which] […] does not do balanced justice to Smith's own feeling about natural liberty" (Ibid: 396). Modern interpretations 'read in' their own ideas regarding natural liberty and consequently 'read out' Smith's own conceptualisation of it as a system that serves an 'increase in humanity'. Smith's reasoning for a system of natural liberty was not based on the goals of business specialisation or solely economic advancement but, rather, was an indication of his "closely-knit social and cultural aspirations" (Ibid: 396). This acknowledgement and discussion of Smith's normative goals serves to underpin Macfie's reading of the 'invisible hand' as God. Understanding Smith's 'invisible hand', in light of these normative statements, would be

unlikely to underpin a 'Market Mechanism' or a 'Defence of Selfishness' reading, but is more conducive to understanding the phrase as a Christian Deity. Thus, we can see that Macfie's commitment to studying Smith in a historically and geographically-situated manner has impacted upon his reading of the 'invisible hand' as God.

3.6 Jacob Viner's Reading of the 'Invisible Hand'

Jacob Viner (1892-1970) was a Canadian economist most famous for his role as a founder of the early Chicago School of Economics. In his role as Professor at the University of Chicago, Viner taught many famous economists including Milton Friedman and Ronald Coase, both of whom are discussed at length in later chapters. However, regarding Smith, and the 'invisible hand', Viner's understanding sits at odds with his most famous students. As Glory Liu (2020) explains, the Chicago school was "not monolithic" and there were significant differences between the 'old school' associated with Viner and the 'new school' associated with Friedman and the likes of George Stigler (Liu, 2020: 1045). Liu explains that the "Smith of […] Viner is nuanced, eclectic, and grounded in a more capacious definition of 'political economy'" (Ibid.). This sits in contrast to the 'new' school which, as will be demonstrated in Chapters Five and Six, engages with Smith in an abstracting, generalising manner, underpinned by their belief in the requirement for the discipline of economics to closely resemble the natural sciences. In short, both 'old' and 'new' schools engaged with Smith's 'invisible hand', however, the differences in their approach to political economy have produced different readings of the 'invisible hand'.

The following section shall unpack Viner's reading of the 'invisible hand' before examining his associated 'Epistemology of Reading'. In my Introduction, I discuss the existence of other factors that condition an author's process of reading. I also state that I do not aim to measure or evaluate the impact of epistemology against these other factors. This remains true. However, Viner's institutional context provides a particularly interesting glimpse into the conditioning effects of epistemological commitments. This is because we can here, unlike with other representative authors discussed in the thesis, ponder the impact of Viner's epistemological framework in relation to other factors that may have impacted upon his reading, for example, his 'membership' of the Chicago School of Economics. In future chapters, while examining the reading of the 'invisible hand' committed by Friedman and Coase we may want to bear in mind Viner's reading as elaborated here. Viner, Friedman and Coase were three men, in receipt of similar educations and researching in the same institution, within the same department and yet they commit three

fundamentally different readings of the 'invisible hand'. I make this point not to make a particular argument. Rather, I simply aim to state that the similarity of Viner with Friedman and Coase in a variety of historical, sociological aspects combined with their divergent readings of the 'invisible hand', serves to highlight the extensive and inalienable impact of epistemology on the act of textual interpretation.

Viner explicitly and repeatedly reads the 'invisible hand' as a synonym for God. In his article on 'Adam Smith and Laissez Faire', Viner makes this reading clear:

> *The many titles by which this beneficent Nature is designated must have taxed severely the terminological resources of the Scotch optimistic theism. Among them are: 'the great Director of Nature,' 'the final cause,' 'the Author of Nature,' 'the great judge of hearts,' 'and invisible hand,' 'Providence,' 'the divine Being,' and, in rare instances, 'God'.*
>
> Viner, 1927: 202

Viner's reading of the 'invisible hand' is an attempt to recover the religious elements within Smith's work, a task he believes is of the upmost importance and yet has been neglected within mainstream readings:

> *Modern professors of economics and ethics operate in disciplines which have been secularised to the point where the religious elements and implications which were once an integral part of them have been painstakingly eliminated […] [modern scholars] either put on mental blinders which hide from their sight these aberrations of Smith's thought, or they treat them as merely traditional and in Smith's day fashionable ornaments to what is essentially naturalistic and rational analysis […] I am obliged to insist that Adam Smith's system of thought, including his economics, is not intelligible if one disregards the role he assigns in it to the teleological elements, to the 'invisible hand'*
>
> Viner, 1977: 81-82

Thus, to understand Smith, according to Viner, one must examine Smith's thought with full knowledge of its 'religious elements and implications', not as mere 'ornaments' or trinkets but as the fundamental basis for his work and thought. The 'invisible hand', is one such element of Smith's work, a fundamentally religious notion that cannot be secularised without losing its meaning. It must be noted it is not in the extent of Smith's personal faith that Viner is interested, a critique levelled against him by Ronald Coase (Oslington, 2012: 430). On the contrary, Viner states: "I am not really interested in Smith's views re religion except as items of intellectual

history to be analysed if at all for […] their relevance to his thought on other matters" (Viner in Oslington, 2012: 430).

3.7 Viner's Epistemological Commitments

Machlup (1972) explains that Jacob Viner was widely admired and "was one of the most honored scholars in economics and cognate fields", specifically for his focus on the history of economics (Machlup, 1972:1). With regard to Smith, he is referred to as one of Smith's "most important interpreters" by Paul Oslington (2012: 287). Viner is known largely for his theological reading of Smith; his writings have been recovered in recent years and have encouraged a re-emphasis of the "eighteenth century religious background to Smith" (Ibid: 288). It should be noted that D.D. Raphael (1985, 2007) has suggested that over the course of Viner's academic engagement with Smith, he retreated from his theological reading. However, on the basis of my own engagement with Viner's works, in addition to engagement with the work of Oslington (2012) on this matter, I understand Viner's reading of Smith, and specifically of the 'invisible hand' to be consistently theological. This is particularly evident from Viner's (1977: 81-82) statement, included above: "I am obliged to insist that Adam Smith's system of thought, including his economics, is not intelligible if one disregards the role he assigns in it to the teleological elements, to the 'invisible hand'". This quotation demonstrates his continued theological reading of the 'invisible hand'; it was published posthumously but was originally part of a lecture he gave in 1966, just four years before his death.

As with other representative authors employed within this thesis, it is through a symptomatic engagement with Viner's methodological framework that I am able to glean his epistemological commitments. This is because he does not reflect explicitly upon his own epistemological assumptions. By exploring his statements regarding how research should be performed and how he himself has performed research throughout his career, I am able to gain an indirect insight into his understanding of knowledge, what constitutes valid knowledge and how it might be increased. Furthermore, Douglas A. Irwin (1991) provides significant insight into Viner's methodological and epistemological frameworks in his introduction to his Collection of Viner's works. Here he reflects extensively on Viner's achievements, his approach to research and the specifics of each of his essays. Irwin discusses Viner's view on scholarship and the history of economic thought, providing a direct quotation from Viner: it is "nothing more than the pursuit of broad and exact knowledge of the history of the workings of the human mind as revealed in written records"

(Irwin, 1991: 12). Viner's nod to 'written records' as the means by which we might access knowledge is reflected in the fact his methods of research relate exclusively to the process of reading and interpretation. Broadly speaking, Viner can be said to have "high standards of scholarship" which is both "careful and accurate" (Ibid: 15). More specifically, his methods are described by Irwin as "accurate, descriptive reporting" and "evaluation as to the quality of analysis", an approach that what was always to be avoided was "criticism based on the values of the critic" (Ibid: 9).

3.7.1 An Unprejudiced and Impartial Reading

Viner identifies himself as existing and researching within the "modest sphere of the history of ideas" in which he is bound by two key standards of "scholarly objectivity":

> *first, be as neutral as you can in reporting other men's ideas, yielding to favorable nor to unfavorable bias, nor to unmotivated carelessness; second, bear in mind that this, even an approach to accuracy in reporting, is an arduous and difficult art, calling for unintermitting self-discipline*
>
> Viner, 1977: 2

This approach of an unprejudiced and impartial reading is, "with minor qualifications", how Viner has "tried to operate" in his practice of researching the history of ideas (Viner, 1977: 2). Viner's self-reflections are bolstered and supported by Irwin. Irwin claims that "the longer Viner worked as a historian of thought, the greater emphasis he placed on the unprejudiced and impartial reading of texts as an indispensable quality of an historian of thought and as an essential prerequisite to evaluation and criticism" (Irwin, 1991: 10). Viner's praise of, and adherence to, what he terms 'scholarly objectivity' is underpinned by the epistemological assumption that to gain knowledge from a text, to successfully interpret its meaning, one must extract that meaning in an objective manner, free from bias and judgement. For Viner, knowledge exists within the text, waiting to be extracted and is not in the mind of the reader, or produced in the process of interpretation. Rather, partiality or preconceived judgements act to distort the process of interpretation, leading to invalid knowledge of the subject matter. Valid knowledge is gained, and thus the body of knowledge is increased, through objective, impartial engagements with historical scholars.

Such an epistemological assumption has underpinned Viner's reading of the 'invisible hand' as God. Viner criticises the widespread phenomenon of the secularisation of economics on the basis that such secularisation inhibits the understanding of the history of the discipline (Viner, 1977:

55). The process of secularisation has led to a secularised reading of the 'invisible hand' and this could also be understood as a prejudiced reading. Modern scholars bring in their own prejudices relating to religion and its relationship to the discipline of economics. Their beliefs, or non-beliefs, characterise their readings, making them partial. Consequently, the religious elements of Smith's work, and specifically the 'invisible hand' are 'read out' of his oeuvre. Thus, these modern scholars fail to produce valid knowledge about Smith, their failure to engage objectively and impartially with his work has made it "unintelligible" (Viner, 1977: 81-82). Viner's reading of the 'invisible hand' as God, on the other hand, can be seen to be a result of his commitment to scholarly objectivity and relatedly his rejection of the secularisation of the disciplines of economics and ethics. Viner himself is an atheist and God does not play a role in his own economic theories and models, however, he does not bring his own views or judgements to bear on his reading of Smith. This enables him to read the 'invisible hand' with an appreciation for the theology of Smith's time, not viewing this as a weakness to be 'read out' of the oeuvre but rather as an integral element of his work that ought to be acknowledged and understood.

3.7.2 Accurate, Descriptive Reporting and Evaluation

It has been established that Viner has an epistemological commitment to scholarly objectivity. The question remains, how might such a goal be reached? He discusses "three methods of practicing the history of thought: accurate, descriptive reporting; evaluation as to the quality of analysis; and criticism based on the values of the critic […] scrupulously avoiding the last category" (Irwin, 1991: 9). The method to be avoided, 'criticism based on the values of the critics' is a consequence of Viner's disregard for partial and subjective interpretations as set out in the preceding paragraph. Irwin explains that Viner himself practised "a blend of descriptive reporting and evaluation" across his oeuvre (Ibid:9). The first element of his approach, 'descriptive reporting' was to be objective, accurate, thorough, fair and underpinned by "internal consistency, rigor, [and] relevance" (Irwin, 1991: 9). This stage of research aims to produce an objective report of the author, work or doctrine under study. Furthermore, it is essential that this stage of research preceded any 'evaluation', this belief of Viner's is best demonstrated through his rare but strong criticisms of those he believed had failed to produce an adequately objective and fair account of the subject of their study. This is exemplified by his review of Edwin Cannan's discussion of English classical economics. Viner agreed with many of Cannan's criticisms of the English classical economists, however, he disagreed with Cannan's approach to critique itself. Cannan did not provide an objective, fair and thorough descriptive report of the

classical economists before offering his evaluation but rather "the picture which he gives of the nature of and the quality of the classical economists is […] one-sided and inaccurate in its emphasis" (Viner, 1930: 74-84). In other words, Viner acknowledged and appreciated the requirement for evaluation and critique of previous authors, bodies of literature or doctrines but only when they were formed on the basis of a fair and objective representation of the subject matter. He believed this 'evaluative' stage of research is intellectually essential and also what saves the discipline of the history of ideas from becoming "a lifeless, bloodless, anaemic, academic discipline" (Irwin, 1991: 10).

And thus, we can see the methods through which Viner attempted to produce his history of ideas. Once again, underpinning this approach is an epistemological commitment to fair and objective representation of authors, as this is the only means by which we may evaluate them and thus make valid knowledge claims. 'Knowledge' of an author that can be shown to be based upon poor or unfair descriptive reporting is invalidated on that basis. Viner's distinction between reporting and evaluation as his two methods of research causes us to ask in which 'mode' of research was Viner when reading the 'invisible hand'. Was he attempting to create an objective and fair report of Smith's works or, rather, was he offering his readers his own evaluation of the 'invisible hand'? Through engagement with Viner's reading of the 'invisible hand', we see that he does not attempt an invocation of the phrase with the goal of bolstering his view or theories. This distinguishes his reading from that of fellow representative authors Friedman, Margalit, Nozick and Hayek. Rather, Viner attempts to unpack and appraise Smith's 'invisible hand' and therefore his analysis sits firmly in the 'descriptive reporting' phase of research. He says explicitly in his Chapter 'The Invisible Hand and Economic Man', "I am under obligation neither to praise Smith nor to bury him, but only to understand him as best I can, I am obliged to give to the role of the 'invisible hand' in his total system of thought the weight it apparently had for him" (Viner, 1977: 82). This approach to reading Smith is underpinned by Viner's epistemological commitment to descriptive reporting and, together, these factors underlie Viner's 'Transcendental' reading. Viner was researching and writing in an increasingly secularised discipline and was himself a proponent of a secularised economic approach. Thus, had he simply undertaken an evaluation of the 'invisible hand', it would have been against his own, secular standards; such an approach may have led to a 'reading in' to the text of these standards. However, Viner has undertaken, what he claims to be, an objective, 'descriptive report' of Smith

and therefore is able to account for the religious aspects and ultimately read the 'invisible hand' as God.

3.8 Concluding Thoughts

This chapter has explored the 'Transcendental' Reading of the 'invisible hand', in both its explicit and implicit forms. The 'non-reading' of the 'invisible hand' constitutes an implicit 'Transcendental' reading. Authors associated with this type of reading engage with Smith and his ideas thoroughly, including the passages in which the 'invisible hand' features, however, they do not paraphrase, comment upon or acknowledge the existence of the 'invisible hand'. Such engagements have been deemed 'non-readings' and it is suggested that the reason for such a phenomenon occurring amongst Smith's contemporaries is due to their belief that the 'invisible hand' was God. Such a use of the phrase was so commonplace and non-exceptional that it provoked no comment, contestation or engagement from these authors. These non-readings, committed by Smith's contemporaries provide the backdrop for modern readers of Smith, they write in a newly secularised age and amongst a plethora of different understandings of the phrase and therefore are required to explicitly state their 'Transcendental' reading. Two such authors, Jacob Viner and Alec Macfie were selected to represent this type of reading. Both authors read the 'invisible hand' as God and both authors are shown to have similar 'Epistemologies of Reading'. Macfie is committed to reading Smith in a holistic and intertextual manner acknowledging the extent to which Smith's entire oeuvre is furnished with theological assumptions. Secondly, Macfie makes an epistemological commitment to researching Smith in a historically, geographically-situated manner, as a member of the Scottish Economic Tradition. Doing so emphasises the ethical goals of Smith's theory of natural liberty in addition to the significant role of Church and religion upon his work. Viner has been demonstrated to be epistemologically committed to scholarly objectivity. In practice this amounts to undertaking an accurate report of a scholar prior to offering evaluation – this, claims Viner, avoids the 'reading in' of preconceived ideas. Viner's refusal to 'read in' the increasingly secular principles of modern economics in conjunction with a historically-situated 'report' of Smith's work underpins his 'Transcendental' reading.

Chapter 4. The 'English Historical School' Reading

4.1 Introduction

In the last quarter of the 19th century, the English Historical School scholars read Smith's 'invisible hand' as an indication, and example, of his deductive reasoning and thus as grounds upon which to critique Smith. This type of reading will be referred to herein as the 'English Historical Reading', mirroring the fact that it –unlike, for example, the 'Transcendental' or 'Contemporary Revisionist' reading – has been identified at only one point in history and is associated with one group of scholars, that is the English Historical School scholars writing in the late 19th century. Due to the time period in which it occurred, the reading was identified through an engagement with the contemporary revisionist literature on Smith as opposed to through *NVivo* analysis [see Methods for further details]. The chapter shall proceed in the following way, I begin by providing a detailed overview of the English Historical School's reading of the 'invisible hand', focusing specifically on the work of Cliffe Leslie and John Kells Ingram who have been selected as the representative authors for this type. This selection has been made on the basis of their level of engagement with the phrase and the high impact of their readings. In a second step, I shall use an intertextual symptomatic approach to determine their associated 'Epistemologies of Reading'.

4.2 English Historical School

The English Historical School, which came into being in the last quarter of the 19th century, was a historicist reaction to the orthodox political economy of the time. Thomas Edward Cliffe Leslie is widely regarded as the founder of the school and is closely associated both personally and intellectually with fellow historicist John Kells Ingram (Black, 2002: 17). Broadly speaking the writings of the English Historical School can be considered 'neomercantilist'; they were underpinned by a belief in nationalist concerns, the corporate responsibility for the welfare of the citizens and a general critique of the system of laissez-faire (Koot, 1980: 176-177). The School rejected the deductive approach and emphasis on individualism that characterised the classical economists. Instead, they promoted inductive historical economic research, careful statistical studies and a focus on collectivist patterns of ideas in the service of social reform. The school's methodological disagreement with the orthodox approach is referred to as the English *Methodenstreit,* this period of methodological dispute characterised the discipline of

economics in the late 19th century. Both Leslie and Ingram were key figures in this dispute and sought to demonstrate that their inductive, historical methods were preferable to the abstract, *a priori* and deductive approach adopted by the orthodox school. Moore (1999: 66) explains that the "invoking of precursors" and the employment of "the rhetorical tool of citing authorities from the past" was a key ploy in the English *Methodenstreit.* And, interestingly, the most vied for name was Adam Smith (Ibid.). In fact, Emma Rothschild (2001:118) argues that it was these historicist critics of Smith who first "made much of" the 'invisible hand', having been largely ignored until their time of writing. It is within this context that we must understand the English Historical School's reading of Adam Smith and 'the invisible hand.'

To note, in most analysis chapters representative authors are examined independently. The following section shall be structured differently, both Leslie's and Ingram's reading of the 'invisible hand' and their respective 'Epistemologies of Reading' shall be discussed jointly. The rationale for this is that there are significant similarities between both their readings of the 'invisible hand' and their epistemological frameworks and, therefore, I want to avoid unnecessary repetition. Despite this change in structure, my research objective remains the demonstration of the inalienable and significant role of epistemological frameworks in the interpretation of texts and is explicitly *not* the exploration of the similarities and differences between the two representative authors.

4.3 Reading the 'Invisible Hand'

Within the context of the *English Methodenstreit*, both Leslie and Ingram attempted to provide a historical lineage and justification for their work by grounding it in that of Smith's (Koot, 1975: 316). Despite this, they identified the 'invisible hand' as a problematic element of Smith's work and launched a critique against it. For both Leslie and Ingram, the 'invisible hand' was a clear representation of the methodological division that they had identified within Smith's work. In fact, Leslie argued that the English *Methodenstreit* "could be traced to a duality within the economics of Adam Smith"; he was able to identify both his own methods as well as those of his orthodox counterparts in Smith's publications (Ibid.). It is for this reason that the English Historical School's relationship to the work of Smith is significantly more complicated and nuanced than Rothschild (2001: 118) suggests when she refers to these thinkers simply as "Smith's historicist critics."

Leslie (1870: Para. 5) argues that differing historical contexts have produced two distinct, dominant methods in political economy: the first being "the theory of a Code of Nature […] speculating a priori about 'Nature' and seeking to develop from a particular hypothesis that 'Natural' order of things" and the second, "the inductive system […] investigating in history and the phenomena of the actual world the different states of society and their antecedents or causesor [sic]". The complexity of Leslie's reading of Smith lies in the fact that he identifies *both* of these opposing methods within Smith's work. While Smith conducts an inductive investigation into the political and economic history of nations, his entire work is underpinned by a deductive belief, a belief in a Code of Nature, an assumed natural order and principles of human nature. Leslie frames Smith's work as "a combination of the experience philosophy, of inductive investigation, with *a priori* speculation derived from the Nature hypothesis" (Ibid: Para. 15). Accordingly, whilst Smith performs an inductive research process, he is doing so in order to find proof of this law of nature, proof of his preconceived, *a priori* ideas and proof of "a beneficent order of nature flowing from individual liberty and the natural desires and dispositions of men" (Ibid.). Or, in short, Smith "thought he found in phenomena positive proof of the Law of Nature" (Ibid.). Leslie explains that Smith's commitment to the law of nature has had significant consequences: through Smith the law of nature has become "an article of religious belief", associated with "divine equity and equal benevolence towards all mankind, and by consequence with a substantially equal distribution of wealth" (Ibid: Para. 9). According to this logic, there is no need for human intervention or legislation beyond the provision of justice and security as the law of nature can be trusted to ensure 'equal benevolence towards all mankind.' It is at this point in his analysis that Leslie introduces two lengthy, verbatim quotes that include the 'invisible hand' passages from both *WON* and *TMS.* In each, Leslie italicises the 'invisible hand', demonstrating that it is this specific phrase that he is interested in as it denotes the deductive nature of Smith's thought. Expanding upon these quotations, he states that "the mischief done in political economy by this assumption respecting the beneficent constitution of nature, and therefore of all human inclinations and desires, has been incalculable" (Ibid: Para. 11). The 'invisible hand' 'assumption' has been taken as an axiom by those economists following Smith and consequently the adequate distribution of wealth has been removed from mainstream debate and economic investigation. Leslie attributes the widespread acceptance of the 'invisible hand' to its theological underpinnings, its resonance with ideas of individual liberty and a move to lessen the power and influence of government (Ibid: Para. 12). Had Smith's invisible hand

assumption *not* been widely received and accepted, Leslie believes there would have been more significant economic investigations into the topics of the consumption and distribution of wealth. Such investigations would have reflected economic patterns in different geographical and historical contexts in contrast to the generalising, totalising assumption of the natural distribution of wealth as taken from Smith's work. In short, Leslie understands the 'invisible hand' to be evidence of Smith's deductive reasoning, premised on his belief that there exists *a priori* a natural, beneficial distributive force.

In his book *A History of Political Economy* (1888:13), John Kells Ingram also offers a critique of orthodox, classical political economy and claims that by expounding a comprehensive history of political economy he is able to elaborate "the new body of thought which will replace, or at least profoundly modify, the old." Ingram dedicates a chapter of his book to Smith, 'Adam Smith, his immediate predecessors and his followers', in which he discusses the 'invisible hand'. Ingram asks, "what is the scientific method followed by Smith in his great work?" Mirroring his associate Leslie, Ingram answers:

> *[Smith] was thus affected by two different and incongruous systems of thought – one setting out from an imaginary code of nature intended for the benefit of man, and leading to an optimistic view of the economic constitution founded on enlightened self-interest; the other following inductive processes, and seeking to explain the several states in which human societies are found existing, as results of circumstances or institutions which have been in actual operation.*
>
> Ingram, 1888: 65

Ingram goes on to unpack Smith's method – examining his work to determine whether it is mostly inductive or deductive. He concludes that whilst Smith does engage in inductive and historical research he does also, however, "largely employ the deductive method" (Ibid: 64). More specifically, Smith deduces in two ways. Firstly, he deduces from "known universal facts about human nature and properties of external objects", Ingram questions the comprehensiveness of such a research system but also acknowledges its "soundness" (Ibid.). Smith's second form of deduction has "seriously tainted" his philosophy: this is when the "premises are not facts ascertained by observation, but the same *a priori* assumptions, half theological half metaphysical, respecting a supposed harmonious and beneficent natural order of things..." (Ibid.). In short, Ingram claims that it is – on some level – acceptable to deduce from the basis of "known" observations, however, it is unacceptable to deduce from the realm of the theological or metaphysical. It is at this point that Ingram quotes the 'invisible hand' - not making it clear from

what publication of Smith's he does so. He outlines Smith's "theory" of the 'invisible hand': "the individual aims only at his private gain, but in doing so is 'led by an invisible hand' to promote the public good, which was no part of his intention" (Ibid.). The 'invisible hand' is invoked by Ingram as an example, or indication, of the 'half theological, half metaphysical' basis for deduction present in Smith's work, the "vicious species of deduction which […] [has] seriously tainted the philosophy of Smith" (Ibid.). Ingram explains that this element of Smith's thought and works can be associated with the ascendancy of the 'system of natural liberty', an economic approach founded on the primacy of the individual and her capacity to act freely within the economy (Ibid: 63).

This so-called 'theory' of Smith's, Ingram admits is "of course, not explicitly presented by Smith as a foundation of his economic doctrines", however despite this, it is in fact "the secret substratum on which they rest" (Ibid: 64). This is a significant claim by Ingram and is the first case of – in Emma Rothschild's (2001: 118) words – someone 'making much of' the 'invisible hand'. Ingram goes on to explain that this element of Smith's work, his system of natural liberty, has been "aggravated" (Ibid: 65) by Smith's successors and thus the inductive element of his research has fallen into the background.

Both Cliffe Leslie and John Kells Ingram, as representatives of the English Historical School, understand the 'invisible hand' to be a representation of the deductive element of Smith's methods. The phrase is, therefore, used as a basis to critique both this aspect of Smith's approach as well as those that have adopted it.

4.4 Epistemological Framework

I adopt an intertextual, symptomatic approach to the work of both Leslie and Ingram in order to uncover and examine the key epistemological assumptions that shape and underpin their reading of the 'invisible hand', their 'Epistemologies of Reading'. Analysis of the 'English Historical School' reading of the 'invisible hand' revealed that this phrase is the basis for their critique of Smith's work on account of it being a manifestation of his deductive approach. Inherent within this reading is the English Historical School's clear methodological and epistemological preference for inductive research. The following section shall explore the specifics of this epistemological preference by breaking it into two key elements: historicism and the requirement to understand the economy as an element of a wider political, legal, intellectual and social

system, a holistic approach. I shall demonstrate specifically how these epistemological assumptions, held by both Leslie and Ingram, have impacted upon their reading of the 'invisible hand', once again demonstrating the inalienable role of epistemological frameworks in the act of interpretation.

Leslie's work can be broadly divided into two categories: firstly, his work on the methods of, and approaches to, political economy and secondly, his applied political analysis (Black, 2002: 17). It is from this first strand of work, centred on the appropriate methods of political economy, that I glean the most insight into Leslie's epistemological framework. Of particular interest is his "pioneering article" titled *The Political Economy of Adam Smith* (1870) (Koot, 1975: 316). Whilst Leslie does not explicitly reflect upon his own epistemological framework, the article focuses upon articulating both his own approach to the study of political economy and mounting a critique of the approach adopted by others. Read symptomatically, this article provides a significant insight into Leslie's epistemology. Similarly, Ingram does not provide an explicit discussion of his epistemological framework, however, his in-depth methodological discussion presented in *The Present Position and Prospects of Political Economy* (1878) in addition to his publication *A History of Political Economy* (1888) can be read symptomatically in order to provide an epistemological insight into his work.

4.4.1 Historicism

In the late 19th century, Leslie happily assumed the role as the spokesman of "a rising historical and inductive school of economists" (Black, 2002: 35). Somewhat unsurprisingly, considering his intellectual affiliation, historicism plays a central role in Leslie's approach: "Political Economy is not a body of natural laws in the true sense, or of universal and immutable truths, but an assemblage of speculations and doctrines which are the result of a particular history, coloured even by the history and character of its chief writers" (Leslie, 1870: Para. 2). Ingram too explicitly acknowledges the historical contingency of economic knowledge:

> *The rise and the form of economic doctrines have been largely conditioned by the practical situation, needs, and tendencies of the corresponding epochs […] every thinker, however in some respects he may stand above or before his contemporaries, is yet a child of his times, and cannot be isolated from the social medium in which he lives and moves*
>
> Ingram, 1888: 2-3

Thus, both Ingram and Leslie advocate the need to study the economic system, economic thinkers and economic theories in light of their historical context, acknowledging their historical contingency: "no branch of philosophical doctrine, indeed, can be fairly investigated or apprehended apart from its history" (Leslie, 1870: Para. 2).

Leslie exemplifies the importance of the historical method in his later work *On the Philosophical Method of Political Economy* (1876) by examining the term 'wealth'. Leslie (1876: 265) establishes that the problem of political economy is "namely, to investigate the nature, the amount, and the distribution of wealth in human society", this definition is shared by Ingram (1888: 2-3). Leslie explains that the approach of his orthodox counterparts - which is deductive, abstract and *a priori* – is "illusory as a solution to the problem" of the nature and distribution of wealth as it fails to adequately acknowledge and incorporate different understandings of what constitutes wealth through differing historical ages and in distinct geographical locations (Leslie, 1876: 266). The orthodox approach understands the nature of wealth as "comprising all things which are objects of human desire, limited in supply, and valuable in exchange" (Ibid.). This 'wealth' is seen to behave, and be affected, in a generalizable way. In contrast, Leslie acknowledges, and bases his approach on, the understanding that "there is a multitude of different kinds of wealth, *differing widely in their economic effects*. Lands, houses, furniture, clothing, implements, arms, ornaments…" (Ibid [Emphasis added]). Wealth both looks and acts differently depending on the historical period and geographical location under study. A failure to engage with the concept of wealth in both a historically and socially contextual manner results in an increasingly abstract economic analysis – this abstraction impacts on the entire process of economic analysis, when examining what wealth is, why one might desire it (or not) and how it might be distributed.

Smith's capacity for the historical, inductive method is discussed by both Leslie and Ingram. Leslie praises Smith's "historical and inductive mind" and Ingram claims he is struck by Smith's "wide and keen observation of social facts" and a "strong and abiding sense of being in contact with the realities of life" (Leslie, 1876: 271; Ingram, 1888: 64). Specifically, regarding the concept of 'wealth', Smith does not simply equate wealth and money but, rather, acknowledges that it also consists of "consumable commodities in the necessaries, conveniences, and luxuries of life" (Ibid: 269). Leslie questions the comprehensiveness and accuracy of Smith's discussion of wealth but praises his historicist intentions and attempt "to indicate the actual order in which the desires of wealth succeed on another in the progress of history" (Leslie, 1876: 271). As we have

seen in the preceding section, however, both Leslie and Ingram identify a failure in Smith to adhere consistently to a historical, inductive method throughout his work. As I discussed in the preceding section, *Reading the 'invisible hand'*, Smith's deductive approach can be identified in his unfaltering belief in a natural order or law of nature that exists *a priori* and assures a benevolent social outcome and equal distribution of wealth. Furthermore, Leslie claims that with regard to Smith's own work, he does not adequately reflect upon, identify or acknowledge its specific historical context and lineage. Resultingly, Smith fails to recognise that "his own system, in its turn, was the product of a particular history; that what he regarded as the System of Nature was a descendant of the System of Nature as conceived by the ancients, in a form fashioned by the ideas and circumstances of his own time and coloured by his own disposition and course of life" (Leslie, 1870: Para. 3). In other words, Smith's 'system of nature', or the deductive element of his work, has been shaped and conditioned by his own historical context and Smith fails to reflect upon this.

The impact of Leslie and Ingram's epistemological commitment to historicism upon their reading of the 'invisible hand' is clear. Their reading is one of critique, specifically a critique of the phrase in its perceived role as the manifestation of the deductive element of Smith's work. Smith's discussion of the 'invisible hand' treats it as an *a priori* mechanism, he does not seek to provide specific evidence of its existence or an outline of its historical lineage, rather he simply deduces its existence. And thus, Leslie and Ingram's assumption that economic knowledge ought to be grounded in historical, inductive research sits in direct contrast with the phrase.

4.4.2 Holism

It has been established that the English Historical School regard the economic system, thinkers and theories to be historically contingent and thus should be studied as such. Relatedly, these scholars make the epistemological assumption that the economic system is part of a larger system comprising social, political, legal and moral elements. They argue that each of these different elements impact upon the economic system, specifically the aspects that political economy is set to examine: the nature, amount, distribution and desire for wealth. For example, the desire for wealth which governs "the production, accumulation, distribution and consumption" of wealth is conditioned by "passions, appetites, affections, moral and religious sentiments, family feelings, aesthetical tastes, and intellectual wants" (Leslie, 1876: 282). These conditioning factors are, of course, also historically contingent. Leslie demonstrates this point: "Hunger and thirst were the first forms of the desire of wealth. A desire for cattle is its principal form at the next social stage.

A desire for land comes into existence with agriculture; but the desire for land is itself a name for different feelings, alms, and associations, in different ages, countries, classes, and individuals" (Ibid: 270-271). Thus, an adequate examination of wealth, or the economic system, must consider its historical context and engage with the wider set of systems – moral, political, legal and social – of which it is a part.

The English Historical School, on the other hand, claims to better address these issues. There is, however, a difference between the approach adopted by Leslie and Ingram owing to Ingram's adoption of a "Comtean variant" of said approach (Moore, 1999: 53). Beginning with Leslie, he states that:

> *the economical condition of English society at this day is the outcome of the entire movement which has evolved the political constitution, the structure of the family, the forms of religion, the learned professions, the arts and sciences, the state of agriculture, manufactures, and commerce. The philosophical method of political economy must be one which expound this evolution.*
>
> Leslie, 1876: 296

Thus, the interdependence of the system ought to be incorporated into economic analysis. This can be achieved by acknowledging that the cause for changes in the nature of, distribution of, and desire for, wealth must be "sought in the entire state of society physical, moral, intellectual and civil", in other words, the realm of analysis must be expanded (Ibid: 295). Leslie evidences this by demonstrating that the different economic stages of hunting, pastoral, agricultural and commercial activity have each been "indissolubly connected" to the wider system within which they existed (Ibid: 296).

Ingram takes the requirement for comprehensive analysis one step further and argues that the study of Political Economy should "be subsumed within a Comtean science of sociology" and thus be a single element of a greater study of science (Moore, 1999:53). Ingram put forward this view in his address to the British Association for the Advancement of Science, which is today considered the "chief manifesto of the Comtean variant of the historicist framework" (Ibid: 62). Much of what Ingram states in his 'Comtean' address mirrors Leslie's thought: the requirement for concrete, inductive and historical methods; the importance of studying dynamic laws that indicate trends of continuous change and the understanding of static laws as historically contingent. However, whilst Leslie acknowledged and emphasised the interconnectedness of the economic, social, moral and political systems he "rejected Comte's all-embracing claim for a

universal sociology" (Koot, 1975: 327) and, on this point, disagrees with Ingram. Despite both authors acknowledging the interdependence of the economic system with its wider context, their methods for incorporating this interconnectedness into their research approach differs. This difference exists, however, in the methodological and not the epistemological realm. Both authors believe that the economic system exists as one element of a wider system and thus economic knowledge is the result of research that acknowledges and reflects this interconnectedness. Thus, despite differences in their methods, both thinkers can be said to share this epistemological assumption.

Leslie and Ingram's call for the economic system to be understood as a small part of a larger whole, and thus studied as such, is echoed in their praise for the work of Smith. For Smith, "political economy was part of a complete system of social philosophy, comprising also natural theology, moral philosophy, and jurisprudence" (Leslie, 1876: 292). Ingram argues that "in nothing is the eminent superiority of Adam Smith more clearly seen than in his tendency to comprehend and combine in his investigations all the different aspects of social phenomena" (Ingram, 1878: 13). The integration of Smith's thought is both something to be praised and necessitates a particular way of reading his works: his economic works ought to be understood in light of his moral philosophy and therefore Smith's "system of philosophy ought to be studied as a whole" (Leslie, 1870: Para. 5). An adequate understanding of Smith entails a comprehensive reading of his works. This is a clear demonstration of how this epistemological assumption of the English Historical School – the assumption that economic knowledge is that which acknowledges the economy as part of a wider system- underpins a particular approach to reading Smith, namely in a comprehensive manner.

This epistemological assumption can also be shown to impact the author's specific reading of the 'invisible hand' in two key ways. Firstly, as discussed above, both Leslie and Ingram read the 'invisible hand' as a manifestation of the deductive element of Smith's work and launch a critique of it on this basis. Smith's deductive technique is but one of two research approaches that he adopts, the other being an inductive, historical approach. The comprehensiveness of Leslie and Ingram's reading has underpinned their identification of the two distinct approaches adopted by Smith and thus their ability to classify and critique the 'invisible hand' as a manifestation of his deductive approach. Secondly, Leslie and Ingram establish their approach of studying the economy within the context of its wider system by contrasting it with the abstracting, generalising principles adopted by the classical, orthodox economists. Regardless of changes in

the wider system, be that moral, political, social or legal, these principles or laws remain unchanged. Should they be examined appropriately, claims Leslie, these seemingly 'natural' principles would be seen to "vary widely in different states of society, and under different conditions" (Leslie, 1876: 277). The 'invisible hand' is regarded by Leslie and Ingram as one such abstract, generalising principle. Despite Smith's attempt to embed his discussion of the economy in its wider context, his specific discussion of the 'invisible hand' is abstract, generalising and ahistorical. Smith does not relay to the reader the historical conditions required for the functioning of 'invisible hand', how legal or political changes may impact upon it and where it does, and does not, exist. Thus, Leslie and Ingram's critique of the 'invisible hand' is underpinned by their epistemological assumption that economic knowledge is that which is grounded in the real, dynamic and interrelated world.

4.5 Concluding Thoughts

The work of Cliffe Leslie and John Kells Ingram has been employed to demonstrate that the English Historical School's critique of the 'invisible hand' as the manifestation of Smith's deductive approach is underpinned and conditioned by their 'Epistemologies of Reading', characterised by a commitment to an inductive, historical and comprehensive research process. Their epistemological preference for inductive research has been separated into two branches: a commitment to historicism and studying the economy as part of a wider societal system, a holistic approach. Each of which has been shown to impact upon their reading of the 'invisible hand'. Smith presents the 'invisible hand' in an ahistorical, abstract manner as he fails to specify the historical, political, legal or social conditions under which it arises or is maintained. Thus, the English Historical School critiques the phrase on the basis that it does not align with their epistemological assumptions about how valid economic knowledge is produced.

Chapter 5. The 'Market Mechanism' Reading

5.1 Introduction

My *NVivo* analysis uncovered a 'Market Mechanism' reading of the 'invisible hand' that first occurred in the mid-20th century, continuing to grow in popularity until the present day. The emergence of this new type coincides with a significant increase in engagement with the phrase from the 1960s onwards with a particularly marked rise from the year 1976, the bicentennial of the *WON* (Tribe, 1999 also supports this finding). And thus, the 'Market Mechanism' reading – those that understand the phrase to be an element or aspect of the modern economic market[5] – has become the present day, dominant reading of the 'invisible hand'. The dominance of this reading extends beyond academia, as Wight (2007: 341) explains "in popular culture […] the metaphor of the invisible hand has become a catch phrase for the magical workings of markets, the price system, or even the moral foundations of capitalism". We see an example of this in Boris Johnson's (2020) invocation of the phrase to bolster his calls for 'free trade': "We in the global community are in danger of forgetting the key insight of those great Scottish thinkers, the invisible hand of Adam Smith […] which teaches that if countries learn to specialise and exchange then overall wealth will increase and productivity will increase". Similarly, Former President of the US, Donald Trump, invoked the phrase in a tweet to justify free trade and limited government intervention: "The invisible hand of the market always moves faster and better than the heavy hand of government" (Trump, 2012).

The following sections explores this dominant type of reading and the epistemological framework underpinning it, by engaging with two representative authors: Paul Samuelson and Ronald Coase. I begin by discussing the formation of the 'Market Mechanism' ideal-type, demonstrating how it was formed from 8 sub-type readings that can be deemed to be related and interdependent. I then explore the specific readings of both Samuelson and Coase before adopting a symptomatic, intertextual approach to uncover their 'Epistemologies of Reading'.

[5] I acknowledge that 'the market' is a contested concept. My use of the concept here is simply as a tool for classification and is in no way a comment on what the market *is* or *should be*.

5.2 'Market Mechanism' Reading

As outlined in my Methods section, my *NVivo* analysis returned 53 different types of reading of the 'invisible hand'. To make the thesis practicable, I produced seven 'ideal-type' readings. The 'Market Mechanism' reading is one such ideal-type, made up of eight sub-type readings: those that understand the 'invisible hand' as 'Supply and Demand'; the 'Price Mechanism'; 'Competitive Equilibrium'; 'Perfect Competition'; the 'Competitive Market'; 'Pareto Optimality'; the 'First Welfare Theorem', and the 'Self-Regulating Market'. These sub-types have been grouped together on the basis that they are interdependent concepts, each relating to the functioning of the economic market. The following section shall briefly unpack these concepts for two keys reasons: firstly, to justify their inclusion in the 'Market Mechanism' ideal-type reading. Secondly, whilst 8 sub-types are included within the 'Market Mechanism' reading, representative authors Coase and Samuelson each adopt only one of these types: Coase understands the 'invisible hand' to be the pricing system while Samuelson reads the phrase as perfect competition. By unpacking each of the 8 sub-types and demonstrating the extent to which they are interrelated, interdependent and, in some cases, interchangeable, I aim to justify my selection of these two authors as representative of this ideal-type as a whole. To note, these sub-types are introduced and discussed *not* in the chronological order in which they appeared as readings of the 'invisible hand' but rather, they are presented in the order deemed to be most conducive to explanation.

Within the 'Market Mechanism' reading, one of the most common understandings of the 'invisible hand' is as 'Supply and Demand'. David Samuelson (1993: 216), for example, proclaims that "only Adam Smith's 'invisible hand' of supply and demand regulates the pure market economy." Biplab Dasgupta (1997:16) also discusses "the Adam Smithian invisible hand of the market, that balances demand with supply at a certain price, and optimises allocation of resources." In short, the model or 'law' of supply and demand dictates that "the price of any good adjusts to bring the quantity supplied and the quantity demanded for that good into balance" (Mankiw & Taylor, 2017: 44). This model explains Mankiw (2017:32), arose in the 19th century but is rooted in "the work of Adam Smith and the invisible hand". Supply and demand are both forces that act on price, bringing it to a point of equilibrium. Consequently, the price of a good or service provides information relating to the supply of, or demand for, said good or service. This role of price within the economic market is referred to as the 'price mechanism' or the 'pricing system' - readings of the 'invisible hand' as both of these concepts first appear in the early 1970s.

For example, in his influential paper *The New Institutional Economics* - which has been cited a total of 1198 times – Ronald Coase (1998: 72) states "economists since Adam Smith have devoted themselves to formalizing his doctrine of the invisible hand, the coordination of the economic system by the pricing system". Similarly, Clairda and Findlay (1992:122) discuss "the function of the 'invisible hand' of the price system". When the pricing mechanism is working effectively and thus supply and demand are in balance, a state of equilibrium is reached and this state is referred to as either 'market equilibrium', 'general equilibrium' or 'competitive equilibrium': "market equilibrium occurs when the amount consumers wish to buy at a particular price is the same as the amount sellers are willing to offer for sale at that price" (Mankiw & Taylor, 2017: 42). Once again, my *NVivo* analysis demonstrates that the 'invisible hand' has been commonly interpreted as the mechanism by which 'market equilibrium' is established. For example, Clark (2006: 268) explains that the principle of self-interest in economics is "based on Adam Smith's analysis of the workings of the invisible hand, which guides individual self-interested actions toward the common good (equilibrium)". Furthermore, Tobin (1981: 35) states that "the grasp of the Invisible Hand is extended beyond micro-economic resource allocation to macro-economic optimality – market competition produces not just a tendency towards long-run optima but a continuous sequence of equilibria".

Within the same period, from the 1960s onwards, the 'invisible hand' has also been interpreted as the concept of 'perfect competition' (Kennedy, 2017 also supports this finding). In line with the work of Mankiw and Taylor (2017: 32), the terms 'perfect competition', 'perfectly competitive market' and 'competitive market' are understood to be synonymous. The concept of perfect competition was invented and developed by Augustin Cournot in 1838, it describes a hypothetical market situation which is characterised by "perfect knowledge of markets, factor mobility, flexibility of prices, freedom of entry and exit from the industry […] and near-equality of power of firms within the industry" (Sayigh, 1961: 561). The consequence of this situation of 'perfect competition' is that the market price of a commodity or service is beyond the control of any individual. An example of such a reading of the 'invisible hand' is committed by Janet Landa (1976: 911) when she explains that the core of an exchange economy is "achieved by the invisible hand of perfect competition", similarly, authors Gill and Goh (2010: 238) discuss "the 'invisible hand' of perfect competition" and Yusif Sayigh (1961) explains that the 'invisible hand' system is "generally designated as perfect competition".

Thus far it has been demonstrated that the 'invisible hand' has been interpreted as many of the different 'building blocks' of a market economy: as the forces of supply and demand, as the pricing system; as the mechanism through which market equilibrium is reached and as the competitive market within which all of these activities take place. These 'building blocks' also play an integral role in many modern economic theorems, two of which are of particular note: Pareto Optimality and the First Fundamental Welfare theorem. *NVivo* analysis demonstrates that the 'invisible hand' has also been interpreted to be a precursor to both theorems. These theorems relate to the distribution of wealth within a perfectly competitive market, they are therefore built upon the theoretical building blocks of the forces of supply and demand, the pricing system and the state of market equilibrium. They both claim that in a competitive market, distribution of wealth is such that no one person can be made better off without making another worse off, when this is the case the market can be understood as efficient in its task of allocating resources. Whilst a comprehensive examination of these two economic theorems sits outside the purview of this thesis, I seek to demonstrate that their inclusion within the 'Market Mechanism' reading has been made on the basis that these theorems are both related to, and built upon, the 'building blocks' of the market economy. And thus, the 8 sub-types that form the 'Market Mechanism' reading can be understood as interdependent, interrelated concepts.

In the following section I introduce the work of representative authors Paul Samuelson and Ronald Coase in order to examine the epistemological commitments that underpins a 'Market Mechanism' reading. It has been demonstrated that whilst Samuelson and Coase each adhere to one sub-type of reading, perfect competition and the pricing system respectively, due to the significant overlap and interdependence between the sub-types, examination of their works provides insight into the epistemological underpinnings of the 'Market Mechanism' reading as a whole.

5.3 Paul Samuelson

Paul Samuelson (1915-2010) was the first American economist to win the Nobel Prize, "the foremost voice in the second half of the twentieth century economics" (Arrow, 2006: xv) and the author of the best-selling economics textbook of all time, selling a total of 4.5 million copies in 40 different languages (Kennedy, 2010: 110). However, the influence of Samuelson's textbook, *Economics: An Introductory Analysis*, goes beyond those 4.5 million people that have purchased it; Skousen (1997) explains that the majority of existing popular economics textbooks

derive a significant amount of their material from Samuelson's work (Skousen, 1997: 137). Samuelson's eminence, and that of his economics textbook, has resulted in his reading of the 'invisible hand' becoming widely accepted amongst the profession. Consequently, the analysis of the particulars of this reading, and the epistemological framework that underpins it, are fundamentally important. In his aptly named article 'Paul Samuelson and the invention of the modern economics of the Invisible Hand', Gavin Kennedy (2010) attributes Samuelson with a central role in the undertaking, and dissemination, of a 'misreading' of the 'invisible hand':

> *Paul Samuelson's Economics: An Introductory Analysis (1948) linked Smith's use of the Invisible Hand metaphor to perfect competition and, later, claimed that it signalled Smith's anticipation of general equilibrium and the modern welfare theorems. Samuelson misread Smith to assert that individual selfishness led to the "best good of all." Samuelson's justified prestige and widespread influence on economic teaching for five or more decades led to the acceptance of this error by the profession.*
>
> Kennedy, 2010: 105

To examine Samuelson's particular reading of the 'invisible hand', which has enjoyed privilege and acceptance within the discipline of Economics, I shall firstly provide a detailed analysis of his many engagements with the phrase followed by an examination of his 'Epistemology of Reading'. Demonstrating the inalienable role of specific epistemological assumptions in the creation of any reading enables us, as researchers, to understand said reading at a new level of analytical depth, namely at the epistemological level. With regard to Samuelson's specific reading, this increased analytical capacity shall not only elucidate the reading but also potentially shed light upon its eminence and widespread acceptance.

5.4 Samuelson's Reading of the 'Invisible Hand'

Samuelson engages with the 'invisible hand' in each of his 19 editions of *Economics,* published between 1948 and 2010 and also in several journal articles. Across this time period, there exists minor differences in interpretation that shall be unpacked below, however, despite these Samuelson can be said to consistently link the 'invisible hand' to the concept of perfect competition. The following section begins by discussing his reading of the phrase in *Economics*, then discussing his mathematical interpretation in 'A Modern Theorist's Vindication of Adam Smith' (1977) before finishing with a discussion of how Samuelson's explicit ethical commitments underpin his scepticism toward the 'invisible hand' and perfect competition.

Samuelson's engagement with the 'invisible hand' begins with his first edition of *Economics* (1948):

> *Even Adam Smith, the canny Scot whose monumental book "Wealth of Nations" (1776), represents the beginning of modern economics or political economy- even he was so thrilled by the recognition of order in the economic system that he proclaimed the mystical principle of the "invisible hand": that each individual in pursuing only his own selfish good was led, as if by an invisible hand, to achieve the best good of all, so that any interference with free competition by government was almost certain to be injurious. This unguarded conclusion has done almost as much good as harm in the past century and a half, especially since too often it is all that some of our leading citizens remember 30 years later, of their college course in economics. Actually much of the praise of perfect competition is beside the mark. As has been discussed earlier, ours is a mixed system of government and private enterprise; as will be discussed later, it is also a mixed system of monopoly and competition. It is neither black nor white, but gray and polka-dotted.*
>
> Samuelson, 1948: 36

We see here that Samuelson understands "the mystical principle of the 'invisible hand'" to be an allocative mechanism that translates an individual's 'selfish' actions into the public good or 'the best good of all' within a state of free, or perfect, competition. Samuelson is, however, sceptical of this 'unguarded conclusion' and argues that "much of the praise of perfect competition is beside the mark" (Ibid.). In doing so, Samuelson simultaneously links the 'invisible hand' with the concept of perfect competition whilst demonstrating his scepticism of them both. This is further illustrated when he states that belief in the allocative properties of the 'invisible hand' "has done almost as much good as harm in the past century and a half" (Ibid.). Samuelson is, therefore, assigning the 'invisible hand' the meaning of 'perfect competition 'and then critiquing this assigned meaning. Furthermore, as I outlined in the first part of the chapter, perfect competition is a theoretical market structure first set out in the mid 19th century. Thus, Samuelson has anachronistically related Smith's invisible hand to perfect competition without adequate explanation or rationalisation. It is on this basis that Kennedy (2010) concludes that it "was Samuelson who gave a wider role for the invisible hand in perfect competition, not Smith" (Kennedy, 2010: 112).

In the above quotation, Samuelson discusses the individual that is 'pursuing only his own selfish good' as opposed to the merchant who "intends only his own gain", as is discussed by Smith in the *Wealth of Nations* (WON, IV, II). Eugene Heath (2013: 242) explains that Smith employed a

number of different concepts related to the self: self-interest, self-preservation, self-love and selfishness. Furthermore, he spent a great deal of time conceptualising each of these different terms and their relation to human action (Ibid.). What is clear from his work in *TMS* is that neither self-preservation nor selfishness can be equated with self-interest (Ibid: 244). In fact, Smith very carefully delineates what may be counted as 'selfish' passions or feelings: those that relate only to ourselves, this would include such feelings as grief or joy which are "non-blameworthy" (Ibid.). However, such selfish passions become "blameworthy" when an individual fails to "take within his ambit the actions or feelings of others" (Ibid.). Thus, Smith has consciously and purposefully chosen to discuss the merchant who 'intends only his own gain' and therefore, Samuelson's use of the word 'selfish' when paraphrasing Smith indicates a failure to engage not only with the *WON* from which he is quoting but also with Smith's extensive elaboration of the concepts self-interest, self-preservation, self-love and selfishness in *TMS.* It is, in fact, indicative of an incomprehensive engagement with Smith's work.

Samuelson's engagement with the 'invisible hand' in 1948 can be shown to be consistent with his engagement in 2010, in his 19th and final edition of *Economics* co-authored with fellow economist William D. Nordhaus. Here the authors proclaim that the 'invisible hand' is Smith's "enduring contribution to modern economics" (Samuelson & Nordhaus, 2010: 30) before offering a summary of the phrase itself:

> *Adam Smith discovered a remarkable property of a competitive market economy. Under perfect competition and with no market failures, markets will squeeze as many useful goods and services out of the available resources as is possible. But where monopolies or pollution or similar market failures become pervasive, the remarkable efficiency properties of the invisible hand may be destroyed.*
>
> Samuelson & Nordhaus, 2010: 30

Once again Samuelson is explicitly linking the 'invisible hand' to perfect competition, explaining clearly that it functions as a mechanism, efficiently producing goods and services, only under the conditions of 'perfect competition'. This reading of the phrase is repeated throughout the 19th edition, Samuelson discusses the 'invisible hand' "doctrine" which only applies when markets are perfectly competitive (Ibid: 35); "the decentralized coordination of the invisible hand" (Ibid:160); and the essence of the invisible hand which is "the remarkable efficiency properties of competitive markets" (Ibid: 163). Speaking of the 'invisible hand' passage in *WON*, Samuelson also urges his readers to "Go back and reread these paradoxical words. Particularly

note the subtle point about the **invisible hand** - that private interest can lead to public gain *when it takes place in a well-functioning market mechanism"* (Samuelson & Nordhaus, 2010: 28-29 [Original Emphasis]). We can see here that the effective functioning of the 'invisible hand' is reliant upon a 'well-functioning market mechanism' or what Samuelson terms elsewhere, a state of 'perfect competition'. Samuelson has also amended his wording from his 1948 edition, changing pursuing one's "own selfish good" to, here, 'private interest', more accurately reflecting Smith's original terminology. There is, however, an irony to be found in this statement: Samuelson urges to "go back and reread" Smith's work while simultaneously concluding that Smith's 'invisible hand' is reliant upon 'a well-functioning market mechanism', an economic concept neither used nor available to Smith. Notably, and despite significant focus on the 'invisible hand' throughout this 19th edition, Samuelson maintains his scepticism of perfect competition and is careful to differentiate between the efficiency created by the 'invisible hand' in a competitive market and the "fair and equitable distribution of income and property" (Ibid: 8).

I have demonstrated that Samuelson consistently reads the 'invisible hand' as an allocative mechanism that functions in a state of perfect competition. In later editions of the textbook the 'invisible hand' is also related to the theories of Pareto Optimality and General Equilibrium. These two theories relate to the efficient distribution of resources in an economy, specifically they refer to economic states in which resources are distributed in such a way that no one person can be made better off without making another worse off. Samuelson explains that these states of efficient resource allocation – Pareto Optimality and General Equilibrium – constitute the 'public good' or 'public interest' resulting from the 'invisible hand' mechanism. Despite this specification in Samuelson's later editions, it remains true that the the 'invisible hand' mechanism works only within a state of perfect competition and thus, Samuelson's reading remains consistent. We must also remember that Samuelson's engagement is one of scepticism. Indeed, Samuelson agrees "with the idea that economic reality is not comparable with the perfect competition model but with the imperfect one" (Stamate & Musetescu, 2011: 113).

In addition to his *Economics* textbook, Samuelson (1977) authored a paper titled 'A Modern Theorist's Vindication of Adam Smith' in which he attempts to vindicate Smith of criticisms levelled at him by both Ricardo and Marx and "to raise his stature as an economic theorist, both absolutely and in comparison with his predecessors and successors" (Samuelson, 1977: 42). In attempting this vindication, Samuelson offers a profoundly anachronistic reading of Smith. He

does so quite explicitly, stating that "inside every classical economist is a modern economist trying to get out" and that he will perform a "modern postmortem" of Smith (Ibid: 44). He summarises Smith's work stating that he "is admired for his eclectic wisdom about developing *capitalism*, and for his ideological defence of competitive *laissez faire* as against blundering *Mercantilist* interferences with the market", all concepts that were developed after Smith's time (Ibid [Emphasis Added]). Samuelson further demonstrates the anachronistic element of his work by acknowledging that the axioms he discusses are "those of the 1776 Adam Smith" while his analysis of them "utilises 1976 mathematical methods" (Ibid: 42). Thus, he acknowledges this anachronism – his import of Smith's work into the modern day – but does not adequately justify or explain such an approach, outlining why it might be appropriate to examine Smith's work using these modern standards. Samuelson's analysis culminates in a mathematical modelling of the 'invisible hand' in which he claims to "reveal the half-untruth present in the INVISIBLE HAND doctrine" (Ibid: 44 [Original Emphasis]). To the detriment of the paper, Samuelson does not at this point expand upon what he understands the 'invisible hand' doctrine to be, what a half-untruth is, nor, for that matter, what the half-untruth present in the 'invisible hand' is. However, Samuelson returns to the 'invisible hand' later in the article and offers a further reading in the form of an equation and annotation:

$$(19) \qquad (P_j/W)\,\partial F_j[T_j/V_j, 1]/\partial V_j = a_{0j} + \sum_1^n (P_i/W)\,a_{ij}$$

$$(P_j/W)\,\partial F_j[T_j/V_j, 1]/\partial T_j = R/W, \qquad (j = 1, \ldots, n)$$

$$\sum_1^n a_{ij}V_j - F_i[T_i, V_i] = C_i, \qquad (i = 1, \ldots, n)$$

$$\sum_1^n T_j \leq T,\ R\left(T - \sum_1^n T_j\right) = 0,\ T_j > 0$$

Figure 1: 'Equation 19' (Source: Samuelson,1977 :47)

The equation is annotated accordingly:

> *But equation (19), aside from having the planner's optimality interpretation, are precisely the competitive equilibrium conditions under Smith's postulated production conditions. This identifies a valid element in Smith's INVISIBLE HAND doctrine: self-interest, under perfect conditions of competition can organize a society's production efficiently. (But, there need be nothing ethically optimal about the [consumption] specifications and their allocations among the rich and poor, the healthy and the halt!)*
>
> Samuelson, 1977: 47

Firstly, from Samuelson's annotation we garner that, once again, he is reading the 'invisible hand' as the mechanism by which efficient allocation of resources is achieved in a state of perfect competition. However, Samuelson is careful to mention that this allocation is not necessarily just or desirable. When comparing this with the work of Friedman (see Chapter Six), his reading of the 'invisible hand' differs on the basis that he understands there to be a moral corollary to the concept - i.e., that when individuals pursue their self-interest, the 'invisible hand' mechanism promotes the public interest and thus there is a moral obligation to pursue one's self-interest (Bishop 1995). While both Samuelson and Friedman identify a positive outcome (efficient allocation and the promotion of the public interest respectively) arising from the 'invisible hand' mechanism, only Samuelson states that this outcome is not ethically optimal and thus for him there is not a moral obligation for the pursuit of self-interest.

There is a further aspect of this reading that needs to be examined, namely the characterisation of Smith's so-called "doctrine" as a mathematical equation. The above equation represents one of twenty-seven that, when taken together, "vindicate Adam Smith from the principal indictments against him, and also reveal the half-untruth present in his INVISIBLE HAND doctrine" (Samuelson, 1977: 44 [Original Emphasis]). This form of reading, this understanding of the 'invisible hand' as something that can be expressed in the form of an equation, is telling. Mathematical economics, which is here adopted by Samuelson, does not enable the translation of ethics, nuance or emotion and, thus, such mathematical expression reflects a particular epistemological preference for that which can be expressed mathematically (Boulding, 1948). In the following section I shall unpack more fully how Samuelson's epistemological commitments have underpinned this aspect of his reading.

Despite Samuelson's commitment to mathematical economics, a commitment upon which his reputation was based (Boulding, 1948: 187; Watson, 2018: 19), Samuelson *does* explicitly

discuss his ethical framework and how this has informed and impacted upon his research practice. Samuelson explains his ethical commitments in his paper *My Life Philosophy*, stating that he is always conscious of the ethical implications of his economic work: he "favors the underdog and […] abhors inequality" (Samuelson, 2016: 61). He adds that it was his parents that conditioned him in that *Weltanschauung.* While being taught at the University of Chicago, he was told that both business and personal freedom are firmly linked; however, over time, he realised from his own experiences that "the paradigm could not fit the facts" and that while, for example, Scandinavia enjoyed fewer business 'freedoms', the personal 'freedoms' of the Scandinavians have not suffered (Ibid: 63). On this basis he concludes that his position is one for a mixed economy, in which the market mechanism is acting but inequalities are avoided by the transfer of some powers to a democratic state, in his own words "economics with a heart" (Ibid: 64). It is clear that Samuelson's ethical commitment to 'economics with a heart' shapes his research process and objectives, the goals toward which, he believes, economic knowledge and the discipline as a whole should work towards. Consequently, Samuelson's discussion of the 'invisible hand' mirrors his ethical commitments. He differentiates between the efficiency of the competitive market and the "fair and equitable distribution of income and property", which, he states clearly, the 'invisible hand' *does not* guarantee (Ibid: 243). Therefore, the 'invisible hand', working in a system of perfect competition, fails to achieve an economic system 'with a heart'. In the tenth edition of *Economics*, Samuelson discusses the conditions under which the allocative mechanism of the 'invisible hand' could result in a fair, just and equal "best good for all": only if "*laissez-faire* was abandoned in favour of an ethically proper distribution of wealth and opportunity, 'then perfectly competitive equilibrium could be used as an instrument to attain optimally efficient and equitable organisation of society'" (Samuelson in Kennedy, 2010: 114). Thus, an ethically proper distribution of wealth and opportunity is a prerequisite for the 'invisible hand' mechanism producing a fair economic outcome, to achieve "economics with a heart" (Samuelson, 2016: 64). It is clear, therefore, that Samuelson's ethical commitment underpins his sceptical reading of the 'invisible hand'.

In conclusion, Samuelson reads the 'invisible hand' as an allocative mechanism that produces efficient allocations under the conditions of perfect competition. Samuelson is, however, sceptical of both the 'invisible hand' and perfect competition on the basis that they do not accurately represent economic reality and the allocative mechanism is not just or ethically optimal.

5.5 Samuelson's Epistemological Framework

Prior to embarking on a symptomatic, intertextual reading of Samuelson, I must reflect on the methodological limitations to this particular task. The examination of each of the representative authors discussed in the thesis has constituted a significant endeavour in both scope and depth. However, Samuelson has presented a particular challenge. He was a prolific writer, writing on average a paper a month across a period of 70 years, in addition to several books – including 19 editions of *Economics* - and many popular pieces for both magazines and newspapers (Medema & Waterman, 2014: 4). In addition, Samuelson's breadth of study was substantial; he produced advanced work on mathematical economics, accessible economics textbooks as well as papers on the history of economics. The following analysis therefore does not attempt, nor claim to be, a comprehensive analysis of Samuelson's works. Rather, it is the product of a wide engagement with a variety of his works, with a particular focus on those that are primarily methodological and those that centre on Smith. Furthermore, this research has been supplemented by an engagement with the secondary literature on Samuelson – of which there is plenty – in order to corroborate my epistemological findings. I shall discuss two key aspects of Samuelson's 'Epistemology of Reading': his belief in 'the conceptual unity of economic analysis' and his commitment to mathematization. Both of these epistemological commitments shall be shown to underpin Samuelson's reading of the 'invisible hand' as an allocative mechanism that works efficiently in a perfectly competitive market but fails to produce a just distribution.

5.5.1 The Conceptual Unity of Economic Analysis

Samuelson's commitment to the conceptual unity of economic analysis can be most clearly identified in his works on the history of economics, including those in which he examines Smith. Samuelson "occupies a controversial place among historians of economics" (Medema & Waterman, 2014: 5) because of his self-labelled 'Whig History' the proposal "that history of economics more purposefully reorient itself toward studying the past from the standpoint of the present state of economic science […] to use a pejorative word unpejoratively, I am suggesting Whig Economic History of Economic Analysis" (Samuelson, 2014: 27). This form of historical analysis is characterised by a number of features, well summarised by editors of 'Paul Samuelson on the History of Economic Analysis', Medema & Waterman:

> *Because of his [Samuelson's] vision of the conceptual unity of all economic analysis, his historiographic method when reaching deep into the past was to formalize the analysis of his predecessors (and he saw them as such) using modern mathematical tools and theoretical constructs. Contextual elements such as historical background, influences, and ideology – important to most other historians – were ruthlessly ignored.*
>
> Medema & Waterman, 2014: 5

Using the words of Richard Rorty, Samuelson is attempting a rational reconstruction of past thinkers – treating them as contemporaries, analysing them against his own modern standards and disregarding entirely their own specific, historical contexts (Rorty, 1984). Such a rational reconstruction approach is underpinned by his belief in the conceptual unity of economic analysis. Samuelson discusses his approach explicitly: speaking of his Whig History of Science he explains "in it we pay past scholars the compliment of judging how their works contributed (algebraic) value-added to the collective house of knowledge" (Samuelson, 1974: 76). In a later publication, he adds that "within every classical economist there is to be discerned a modern economics trying to be born" (Samuelson, 2014: 89). Thus, to increase the body of knowledge – according to Samuelson's approach – one must provide rational reconstructions of past thinkers. Samuelson's reading of history is very particular and sits in direct contrast with those approaches that seek to understand historical figures in their own terms, within the context of their own debates and as posing, and answering, their own historically-situated questions. Samuelson states explicitly that this is the approach he uses when reading Smith: "When I read a Smith or a Keynes, it is the system that they are formulating that first interests me – the system discernible there and not primarily *their* understanding or misunderstanding of it" (Samuelson, quoted in Medema & Waterman, 2014: 5).

Samuelson's reading of the 'invisible hand' as perfect competition is underpinned by his understanding of economics as conceptually unified and his resulting approach of rational reconstruction. Samuelson 'speaks to' Smith as a contemporary and measures his theory against modern economic standards. Samuelson identifies the *Wealth of Nations* as the "beginning of modern economics" (1948: 36) and states that the 'invisible hand' is Smith's discovery of "a remarkable property of a competitive market economy" (Samuelson & Nordhaus, 2010: 30). His linking of the phrase with the concept of 'perfect competition', a concept neither available nor used by Smith is a clear indication of Samuelson's deliberate disregard from Smith's own historical context. Such a form of reading appears once again in Samuelson's 'Vindication of

Adam Smith' where he claims to perform a "modern postmortem" of Smith (Samuelson, 1977: 44). Samuelson discusses Smith's "eclectic wisdom about developing capitalism" and his "ideological defence of competitive *laissez faire"* (Ibid. [Original Emphasis]). He also critiques the *WON* on the basis that Smith's "exposition is 1776, not 1876 or 1976, in its vagueness" but promises the reader that "with a little midwifery sleight of hand" and by utilising "1976 mathematical methods" he is able to extract an economic model from Smith that will serve to vindicate him against criticism (Ibid: 42). Smith's 'invisible hand' is being read not as a piece of knowledge or theory in its own right but rather in such a way as to determine its modern relevance, its capacity for being discussed using modern mathematical tools and measured against contemporary economic standards. The following section shall discuss one further specific consequence of Samuelson's commitment to rational reconstruction, namely his mathematization of the 'invisible hand'.

5.5.2 Mathematization

Samuelson was known, in part, for his work on mathematical economics. Such an approach is present not just in his modern economic analyses but also within his works on the history of economics. An example of this is Samuelson's use of mathematical equations to vindicate Smith and his 'doctrine' of the 'invisible hand'. This pattern of 'mathematizing' historical thinkers and their theories can be seen in a number of other works including his papers 'Marx as Mathematical Economist' (1974); 'Mathematical Vindication of Ricardo on Machinery' (1988) and, 'Quesnay's 'Tableau Economique' as a Theorist would Formulate it Today' (1982). Blaug (1990) expands upon the link between Samuelson's approach of rational reconstruction and his mathematization: "Rational reconstructions of the history of economic thought are particularly appealing to mathematical economists because the mathematization of economic ideas abounds in striking exemplars of the improvements in analytical techniques that have been so marked a feature of economics in, say, the last 50 years" (Blaug, 1990: 33). For Samuelson (1952: 61), economics is a science faced with the task of "describing and summarizing empirical reality". To communicate such a description and summary, one must select a language. Samuelson claims that "inside every classical economist is a modern economist trying to get out", and to provide a successful, modern analysis of their work the language he selects is mathematics. It must be noted, however, that despite the extent of Samuelson's employment of the mathematical method he does acknowledge its potential pitfalls. Writing in 1952, Samuelson (1952: 56) outlines an 'appraisal' of economic theory and mathematics in which his explicit goal is to "debunk its use in economics". He

explains that whilst "mathematical manipulation" can create economic 'truths', such a truth could, hypothetically, be arrived at using "words alone" and, in fact, that doing so might award the truth a level of nuance, lost in the mathematical process (Ibid.). Despite the acknowledgement of the pitfalls of mathematization he does adhere to this method consistently throughout the rest of his career, demonstrating his epistemological commitment to it. I claim, in line with the work of Kenneth Boulding, that Samuelson's epistemological commitment to mathematical economics and specifically his mathematization of historical thinkers impacts upon his reading of Smith, and more specifically of the 'invisible hand':

> *Perhaps it is an overstatement to say that mathematics is a language, for, while it is probably true that all mathematical expressions can be translated into "literary" language […] it is not true that all "literary" expressions can be translated into mathematics […] I know of no mathematical expression for the literary form, "I love you." It is clear that, though mathematics is a language of sorts, it is not a complete language […] Mathematics operates at the level of abstraction where any heterogeneity or complexity in the structure of its basic variables may be neglected.*
>
> Boulding, 1948: 189

Boulding articulates the limitations of mathematical analysis and specifically the translation of literary expression into mathematical form (Ibid.). Samuelson's reading of the 'invisible hand' as a mathematical equation, as shown in Figure 1, is an example of such a translation. Thus, it raises the question: what complexity or nuance is being 'read out' of Smith's work during this translation process? It is clear that Samuelson's 'mathematization' of the 'invisible hand' - underpinned by Samuelson's commitment to rational reconstruction and the virtues of mathematical economics - is not simply a representation of Smith's idea in equation form but rather a specific reading of the phrase, a translation and a flattening of complexity. The implications of such a choice may be the 'reading out' of the ethical elements of Smith's arguments. In the preceding pages, I discussed Samuelson's ethical commitment to 'economics with a heart' which is the basis upon which he critiques the unjust allocation of resources afforded by the 'invisible hand'. It is striking, therefore, that he adheres to the mathematical method - a method less suitable for the discussion of ethics and justice.

5.6 Ronald Coase

Ronald Coase (1910-2013) was a British economist and author who received the Nobel Prize in Economics in 1991. He is most well-known for his aptly named 'Coase theorem' which is

considered a cornerstone of modern economic analysis of government regulation and intervention. Coase engaged with the 'invisible hand' in a number of different publications throughout the course of his career, however, his understanding of the phrase remains consistent: the 'invisible hand' as the price mechanism or 'pricing system' (Grampp, 2000: 445).

Across Coase's vast range of publications, he consistently expresses his admiration, and respect, for the work of Smith. In 'Adam Smith's View of Man' (1976: 529), Coase exclaims "Adam Smith was a great economist, perhaps the greatest that there has ever been"; in a later paper, he states that the *WON* "is a masterpiece […] with its interrelated themes, its careful observations on economic life, and its powerful ideas" (Coase, 1994: 75). The mere fact that Coase (1977) has dedicated an entire journal article to Smith titled *The Wealth of Nations,* is an indication of the reverence he holds for his principal work. Nevertheless, in case the reader was in any doubt, Coase states (Ibid: 325): "The *Wealth of Nations* is a work that one contemplates with awe. In keenness of analysis and in its range it surpasses any other book on economics." He praises the simplicity and straightforwardness of Smith's writing whilst bemoaning that his own contemporaries are incapable of doing the same. This drive for a simple and plain writing style is also evident in each of Coase's own publications, they are remarkably accessible, despite the often-complicated nature of his subject material. In addition to his praise for *WON*, Coase also expresses his admiration for *TMS* and explains that engagement with this book enables the reader to understand Smith's view of man and this, in turn, deepens our understanding of Smith's economics (Coase, 1976: 529). Richard Posner (1993) states that for Coase, economics has not made "much progress since its founding" and consequently "he regards Adam Smith as almost the only economist worth reading" (Posner, 1993: 199).

Coase engages considerably with the 'invisible hand' and does so across a number of different publications, providing ample material from which I am able to analyse his understanding of the concept. Furthermore, there are several pieces of work in which Coase explicitly reflects upon his own framework and approach, specifically in his reply to Richard Posner's methodological analysis of his work. The following section shall begin by outlining Coase's reading of the 'invisible hand' before embarking upon a symptomatic, intertextual analysis of his work with the goal of uncovering his epistemological commitments.

5.7 Coase's Reading of the 'Invisible Hand'

Coase consistently reads the 'invisible hand' as the 'pricing system'. As was discussed previously, the 'pricing system' is a system in which the price of a good or service provides information in relation to the relative supply of, or demand for, that good or service. Or, in other words, when prices control the valuation and distribution of goods and services within an economic system. One such reading occurs in Coase's 'New Institutional Economics' (1998). The paper is a mere 2 and a half pages, however, it has been cited 1205 times, indicating the extent of its impact. Here, Coase explains that economists "since Adam Smith have devoted themselves to formalizing his doctrine of the invisible hand, *the coordination of the economic system by the pricing system*", he goes on to explain that while this has been an "impressive achievement" it is "the analysis of a system of extreme decentralization" (Coase, 1998: 72 [Emphasis Added]). A number of years earlier when speaking of the development of the discipline of economics, Coase (1992:713) repeats this sentiment and explains that over the past two centuries "the main activity of economists […] has been to fill the gaps in Adam Smith's system, to correct his errors, and to make his analysis vastly more exact." It is clear from these publications in both 1992 and 1998 that Coase regards both Smith's work, and the 'invisible hand', as the basis of the discipline of modern economics. Coase further outlines his reading of the 'invisible hand' in his summary of the central themes of *WON*:

> *that government regulation or centralized planning were not necessary to make an economic system function in an orderly way. The economy could be coordinated by a system of price (the 'invisible hand') and, furthermore, with beneficial results.*
>
> Coase, 1992: 713

It is this idea that economists following Smith have been tasked with 'formalizing' (Coase, 1998: 72). This formalization, whilst a "great intellectual achievement", has been to the detriment of the discipline of economics: it has led to increasing abstraction from the 'real world' and a narrow focus upon the pricing system (Coase, 1992: 714). Coase explains that understanding the pricing system as a coordinating mechanism of the economy is "clearly right", however, it does not account for certain aspects of the 'real world' economy, including the existence of 'the firm' and transaction costs, each central elements of Coase's own economic analysis (Ibid: 34). Thus, it is clear that Coase's critique is not directed at Smith or his original works per se but rather at the reception of his ideas, specifically the 'invisible hand', within modern economics.

Coase's book *Essays on Economics and Economists* (1994) provides a further, and somewhat indirect insight, into his understanding of the 'invisible hand'. In the index to the book, the 'invisible hand' appears, however, there are no page numbers listed and instead readers are advised to "see pricing system" (Coase, 1994: 218). Under the index listing for 'pricing system' there is a sub-heading, "Pricing System of Adam Smith" (Ibid: 220); an indisputable reading of the 'invisible hand' as the pricing system. In the main body of the text, Coase expands upon his understanding of the 'Pricing System of Adam Smith' and explains it as the co-ordination of the economy "…by a system of prices (the 'invisible hand') and, furthermore, with beneficial results" (Ibid: 4). Within the same publication Coase also provides a direct quotation of the 'invisible hand' from *Wealth of Nations,* which he prefaces with the statement that Smith "shows that the pricing system is a self-adjusting mechanism which leads to resources being used in a way that maximizes the value of their contribution to production" (Coase, 1994: 83). He then concludes this discussion by stating that whilst Smith's "analytical system may seem primitive to us […] in fact he reaches results we accept as correct today" (Ibid.). It has been demonstrated that consistently throughout his publications, Coase understands the 'invisible hand' to be the pricing system, a system that he understands to be useful and correct, however, limited because it is only partially representative of the economic system.

5.8 Coase's Epistemological Framework

To better understand Coase's reading, to more fully comprehend why he has read and written about the 'invisible hand' as the pricing system, we must examine his 'Epistemology of Reading'. His reading is underpinned by a number of epistemological commitments that, when taken together, can be broadly understood as a call for economic knowledge to be based upon the 'real world' as opposed to existing in the realm of abstraction. Such commitments include: the belief that theoretical assumptions ought to be explicitly stated; economic theories should be judged by their explanatory – as opposed to predictive – capacity; the belief that there is subjectivity inherent within all forms of research and finally, a rejection of the existence of 'rational economic man'. The following section examines and outlines each of these epistemological assumptions.

It should be noted that Coase states that he is "in no sense well informed in the philosophy of science. Words like epistemology do not come tripping from my tongue"; the conclusions he draws come, rather than from the philosophy of science, from "reflections based on what I have

observed about the actual practice of economists" (Coase, 1994: 16). His decision to distance himself from the philosophy of science or from the word 'epistemology' does not, however, invalidate the fact that the reflections and observations he makes are epistemological in nature. They may derive from the 'actual practice of economists' but his statements still centre upon the nature of knowledge, how we might test the validity of knowledge and how valid knowledge might be reached or increased.

5.8.1 A 'Real' Economic Theory

Broadly speaking, Coase's epistemological assumptions can be grouped together as a call for economic theory and knowledge to be the result of an engagement with the 'real world' and not as a result of abstraction from it. He critiques the increasingly abstract form of modern economics and explains that "this disregard for what happens concretely in the real world is strengthened by the way economists think of their subject […] as 'the science of human choice' or […] 'an economic approach'" as opposed to the study of the relationship between human beings and scarce resources (Coase, 1998: 72). Coase explains that his "dissatisfaction with what most economists have been doing […] is not with the basic economic theory itself but with how it is used. The objection essentially is that the theory floats in the air. It is as if one studies the circulation of the blood without having a body" (Coase, 1984: 230).

With regard to his own approach and theory, Coase explains that his contribution to the discipline of economics lies not in his work "on high theory" but rather in his call for "the inclusion in our analysis of features of the economic system so obvious that […] they tended to be overlooked" (Coase, 1992: 713). The features to which he refers includes the role of the firm, the legal and political systems. In short, he calls for a renewed appreciation and engagement with the 'real world'; an approach to economics that privileges the complicated set of interrelationships between factors including not only transactional costs and productivity but also the institutions of a country such as the political and legal systems, education system and its cultural norms. This broad epistemological assumption, that valid economic knowledge results from research of the 'real world', is constituted by a number of more specific epistemological commitments made by Coase: a rejection of the existence of 'rational economic man'; the belief that theoretical assumptions ought to be explicitly stated; economic theories should be judged by their explanatory – as opposed to predictive – capacity and, the belief that there is subjectivity inherent within all forms of research.

Coase rejects the idea of a 'rational economic man' who is guided by self-interest alone and he does so through an engagement with Smith's work. In his article *Adam Smith's View of Man*, Coase focuses upon understanding Smith's view of human nature – namely, the fact that there are numerous drivers of human behaviour not merely self-interest. Undertaking such a task, Coase claims "deepen[s] our understanding of his [Smith's] economics" (Coase, 1976: 529). He is careful to explain that the acknowledgement of additional drivers of human behaviour within Smith's work, "does not weaken but rather strengthens Adam Smith's argument for the use of the market and the limitation of government action in economic affairs" (Ibid.). Coase draws his conclusions from an engagement with both the *WON* and *TMS* and notably he states that he can find "no essential difference between the view on human nature" expounded in each book (Ibid: 541). Such a statement directly addresses *Das Adam Smith Problem*– the claim that Smith's two works are inconsistent in their understandings of human nature (Montes, 2003). *Das Adam Smith* proponents tend to argue that while the individual in *TMS* is driven by benevolence and restrained by the mechanism of mutual sympathy, the individual in *WON* is simply driven by self-interest (an argument put forward by scholars, Knies, 1853; Brentano, 1877 & Skarżyński, 1878). Coase, however, explains that self-interest and benevolence are *both* present in Smith's economic treatise, *WON*, and this in turn strengthens Smith's argument for the market as the organiser of economic activity. This is because while benevolence will ensure that those known to the individual will benefit from their economic behaviour, self-interest ensures that "those who are unknown, unattractive, or unimportant, will have their wants served" (Coase, 1976: 544). The self-interest of human nature is accompanied by a concern for others known as the feeling of 'mutual sympathy' which, when attained, is pleasurable for the individual. Furthermore, these drivers are accompanied by the mechanism of an 'impartial spectator', or conscience, which ensures individuals act in such a way that an impartial outsider would approve of (Ibid: 533). Coase concludes that the common understanding of Smith as adhering to the view of 'rational, self-interested economic man' is flawed. Relatedly, the fact that most modern-day economists base their understanding of economic man as a rational utility maximiser on the basis of Smith's work is also inherently flawed (Ibid: 545). Instead, argues Coase, Smith "thinks of man as he actually is – dominated, it is true, by self-love but not without some concern for others" (Ibid: 545 –546).

Coase's commitment to 'real world' economics can also be identified in his call for theoretical assumptions to be explicitly stated and, furthermore, his claim that realistic assumptions boost the

explanatory power of an economic theory. This epistemological commitment is most clearly demonstrated in Coase's paper 'The Nature of the Firm' (1937). Here, Coase discusses transaction costs within the economy in an effort to explain why the economic system is made up of a number of different firms as opposed to being made up of a plethora of self-employed, independent individuals. The paper's impact has been significant, demonstrated by the fact it has been cited a total of 42, 872 times according to Google Scholar. Additionally, it is quoted as being the reason he was awarded the Nobel Memorial Prize in Economic Science in 1991. Coase (1937:386) begins the article by emphatically stating the "essential" need for economists to outline the assumptions underpinning their theories. Stating theoretical assumptions is essential for two reasons: firstly, it prevents misunderstanding and controversy caused by a lack of transparency and secondly, such explicitness and transparency enables other economists to make informed decisions when choosing between theories (Ibid.). Coase adheres to his own epistemological commitments by showing that his assumptions regarding the nature of the firm are both "realistic in that it corresponds to what is meant by a firm in the real world" and "tractable" when analysed using economic theorems (Ibid.). By explicitly stating his own theoretical assumptions and explaining exactly *how* they are both realistic and tractable, he emphasizes the importance of such a self-reflective aspect of economic theory. Whilst he makes these claims about his own theory, Coase acknowledges that this is not the case for all theories and sets of assumptions, some may be tractable whilst others may be realistic. He states that the assumptions of a theory do not need to be wholly realistic and may be excluded on the basis of them being extraneous to the theory or, likewise, if they would complicate said theory by being incorporated (Ibid.). He offers a rather ambiguous conclusion on this point of assumptions being realistic: "there are good reasons why the assumptions of our theories should not be completely realistic", namely to avoid unnecessary complication or the inclusion or irrelevant information "but this does not mean that we should lose touch with reality" (1994: 18). Thus, it can be concluded that Coase claims that for a theory to be considered valid knowledge, the assumptions underpinning economic theories must be explicitly stated. However, it is not always feasible for these assumptions to be realistic. Most importantly for our further discussions, however, is the fact that for Coase the explanatory power of such a theory is at its peak when these assumptions are both explicitly stated *and* realistic.

Coase's discussion of the 'realism' of theoretical assumptions is closely connected to his understanding of the role and function of economic theory. He explains that a theory is not

simply something to be deemed right or wrong, judged by the "accuracy of its predictions", but rather it "serves as a base for thinking", it provides the practitioner with an insight into how the system works (Coase, 1994: 16). Economic theories, unlike "airline or bus timetables", are not simply meant to make predictions but rather to help the economist to make sense of the world and organise their thoughts in relation to it (Ibid: 17). Thus, whilst testable predictions are an important element of a theory, realistic assumptions are required if they are "ever to help us understand why the system works the way it does" (Ibid: 18).

Coase's emphasis on the explanatory – as opposed to predictive – capacity of a theory relates to his discussion of how economists choose theories, as set out in *Essays on Economics and Economists*. The focus of this book is the relationship between theorist and theory, or more specifically economist and economic theory. There are a number of essays in which Coase's explicit goal is to examine "some general questions concerning how economists go about their business: how they tackle the problems of the economic system, choose their theories, decide what questions come within the purview of their subject or give advice on public policy" (Ibid: vii). Coase both outlines his own opinions that he claims are "different from those held by many, perhaps most, economists" (Ibid.) as well as critiquing the work of others. By examining how Coase frames his critique, I can gain a further insight into his on normative position on the methodology and epistemology of the discipline of economics. For example, Coase sets up his own methodological and epistemological position against that of Milton Friedman. He discusses two ways in which 'real world' economic practices do not conform to Friedman's approach of positive economics: an economist's evaluation of economic theory and the objectivity of empirical economics. Beginning with the evaluation of theory, the following section shall outline Coase's critique.

Coase discusses the "strangest aspect" of Friedman's essay on positive economics, namely that what Friedman presents is not a 'positive theory' but is instead a normative theory (Ibid: 18). Coase's critique is not directed at Friedman for expounding a normative theory - much of Coase's methodological and theoretical statements are themselves normative - but rather it is directed at Friedman's pretence of proposing a positive economics. This critique is particularly relevant when Friedman is discussing how economists evaluate, and then adopt, economic theories. According to Coase, Friedman is not discussing *how* economists choose between theories but instead how he believes they *should* choose. In short, Friedman explains that the value and validity of an economic theory lies in its predictive capacity and consequently, an economist

would be expected to choose a theory on this basis. To challenge Friedman's assertion, Coase discusses instances of economists having adopted or changed their theoretical approaches including, for example, during the Keynesian revolution. The work of Keynes was widely adopted by economists worldwide, however, Coase is keen to point out that this did not occur following a comparison between its ability to produce accurate predictions relative to the other pre-existing theories. Rather, Keyne's analysis "was adopted in the main because it seemed to make more sense to most economists or […] it provided a better base for thinking about the problems of the working of the economic system as a whole" (Ibid: 21). Thus, in contrast to Friedman, Coase explains that in practice theories are often accepted into the orthodoxy on the basis of their 'context and packaging'. In other words, on how convincingly their story reflects, and is helpful in understanding, the current economic reality. Notably, Fox uses a similar explanation to account for the reverence of the 'invisible hand': "why did the invisible hand emerge as the one idea from Smith's work that everybody remembers? Mainly because it's so simple and powerful …" (Fox, 2010: 18). In practice, the success of a theory is not always as a result of them surviving "empirical tests against rivals" but rather because "they came along at the right time and provided the appropriate oil for our professional machinations" (Peltzman: S17).

Coase also discusses the divergence of economic practices from Friedman's positive economics in the field of empirical work. Essentially, he questions the capacity of empirical economics to remain objective. He understands empirical economists as salesmen, attempting to sell their theory on the market of ideas (Ibid: S18). Thus, empirical economic studies "perform a function similar to that of advertising […] They do not aim simply at enlarging the understanding of those who believe in the theory, but also at attracting those who do not believe in it and preventing the defection of existing believers" (Coase, 1994: 28). Simply put, the people conducting empirical studies are subjective individuals and thus so are their decisions on how to design their studies, what research objectives to pursue and, likewise, what to ignore. Resultantly, there is a tendency for economists to find the results that their theory leads them to expect (Ibid.). Furthermore, when results are found that do not fit with the chosen theory, the results are often simply disregarded rather than being the catalyst for the re-shaping of the theory. Coase draws upon the work of Thomas Kuhn to clarify his position: "The road from scientific law to scientific measurement can rarely be travelled in the reverse direction. To discover quantitative regularity one must normally know what regularity one is seeking and one's instruments must be designed accordingly" (Kuhn,

in Coase, 1994: 27). It is important to note that Coase is not implying that empirical results have been faked or corrupted, merely that they have been selected on the basis of their adherence to the theory being tested and thus cannot be deemed wholly objective or value-free.

In his work, Coase demonstrates a consistent epistemological preference for economic research that centres on the real world: he rejects the existence of rational economic man; believes that theoretical assumptions ought to be explicitly stated; states that economic theories should be judged by their explanatory – as opposed to predictive – capacity and, claims that there is subjectivity inherent within all forms of research. The following section shall outline how these specific epistemological commitments constitute his 'Epistemology of Reading', how they impact upon his reading of the 'invisible hand'.

Coase reads the 'invisible hand' as the price mechanism. His reading, however, has two elements: it is both a reading of Smith's own words and a discussion of the treatment of the 'invisible hand' and the price mechanism post-Smith. When discussing Smith's use of the phrase, Coase explains that his claim that the pricing system is a coordinating mechanism of the economy is "clearly right" (Coase, 1992: 715) and Smith "reaches results we accept as correct today" (Coase, 1994: 83). However, the treatment and use of the 'invisible hand' post-Smith receives a distinctly different evaluation. Coase explains that "economists since Adam Smith have devoted themselves to formalizing his doctrine of the invisible hand, the coordination of the economic system by the pricing system" (Coase, 1998: 72). This 'formalization' and acute focus on the concept has, however, been to the detriment of the discipline of economics, it has encouraged an increasingly abstract and narrow approach to studying the economic system. In other words, this engagement does not align with Coase's broad epistemological commitment to 'real world' economics, hence his critique. Furthermore, as was demonstrated in the preceding discussion of the 'rational economic man', Coase rejects the reduction of Smith's work on human nature and calls for Smith to be understood in a full sense, with an appreciation for the nuance and complexity of his work. A narrow focus on Smith's 'invisible hand' serves to 'read out' the nuance, complexity and breadth of focus presented by Smith. Again, we can see how Coase's epistemological preferences underpin his critique of the modern understanding of the 'invisible hand'.

However, the existence of these two aspects of Coase's reading – one of praise and one of critique – is most clearly understood as a result of Coase's claim that valid economic knowledge

ought to be judged by its capacity for explanation, and not prediction. For Coase, when Smith was writing in the mid-1700s about the economic system of his time, his theory of the 'invisible hand' had significant explanatory power – it provided an insight into the economic goings on, and this was a novel insight for Smith's time. Thus, it had explanatory power and, according to Coase's understanding of how we ought to measure the validity of knowledge, this means its value as an economic theory was high. However, the explanatory power of the 'invisible hand' and thus the pricing mechanism has decreased over time. As the economic system has developed in complexity, the seemingly primitive pricing system theory is unable to account for its increasing nuance and complexity. And thus, Coase believes that the modern 'formalization' of the 'invisible hand' lacks the same level of explanatory power as Smith's original theory. When Smith wrote about the 'invisible hand' in the mid-1700s it did represent a novel way of explaining the economic system. Only in its modern iteration has the explanatory power of the 'invisible hand' and the 'pricing system' decreased and relatedly Coase's regard for it. This mirrors Coase's statement that his "dissatisfaction with what most economists have been doing […] is not with the basic economic theory itself but with how it is used" (Coase, 1984: 230). The theory was Smith's - and this Coase praises – but the use of this theory, the abstraction it has caused and its failure to account for the diversity of Smith's ethical and economic commitments is a source of dissatisfaction.

5.9 Concluding Thoughts

Both Paul Samuelson and Ronald Coase were identified as representative authors of the 'Market Mechanism' reading' of the 'invisible hand'. This chapter has demonstrated the specific ways in which their epistemological frameworks have impacted upon their readings. Samuelson reads the the 'invisible hand' as an allocative mechanism that exists within the state of perfect competition. His reading is impacted by his belief that there is a conceptual unity in Economics and his resulting approach of rationally reconstructing past thinkers; understanding them in light of, and against, modern economic standards instead of within their own historical context. Relatedly, Samuelson's mathematization of the 'invisible hand' is underpinned by his epistemological assumptions that firstly, mathematics is a language that can produce economic 'truths' and secondly, that it is a means of translating classical literary economic theory into modern economic knowledge. Additionally, I demonstrated that Samuelson's ethical commitments underpin his scepticism of the 'invisible hand' and its capacity for a just allocation. Ronald Coase

reads the ‘invisible hand’ to be the pricing system and thus also adheres to a ‘Market Mechanism’ reading. Coase mounts a critique against the pricing system, or the ‘invisible hand’, based on its abstraction from the real world and its low explanatory capacity in relation to the modern capitalist economy. Coase’s critique, however, is firmly directed at the way in which his contemporaries have understood, and focused upon, the ‘invisible hand’ as opposed to at Smith, or the ‘invisible hand’ itself. By symptomatically exploring the work of both Samuelson and Coase I have been able to demonstrate the significant impact of their epistemological frameworks upon their readings and thus highlight the need to extend analysis of their work to the epistemological level.

Chapter 6. The 'Defence of Selfishness' Reading

6.1 Introduction

My *NVivo* analysis highlighted that from the 1950s onwards a new reading of the 'invisible hand' appeared, as a moral defence of selfishness. The following chapter centres on this type of reading and I engage with a single representative author, Milton Friedman, to enable a discussion of both this type and the epistemological commitments that condition it. Milton Friedman has been selected on the basis of the high impact of his reading; he invokes the 'invisible hand' to provide intellectual endorsement for his key economic approaches of individualism and non-interventionism and these have had a significant and far-reaching intellectual and academic implications (Liu, 2020:1046). This impact is due to the eminence of Friedman himself: he received the Nobel Memorial Prize in Economic Science in 1976 and was proclaimed "the most influential economist of the second half of the 20th century… possibly of all of it" by The Economist, (23rd November, 2006). His influence, however, was not contained by the bounds of academia. Glahe explains that he served "as an informal economic adviser to Senator Goldwater […] to Richard Nixon in his successful campaign in 1968, and to President Nixon subsequently" (Glahe, 1978: 1). This influence within the political realm resulted in the translation of his economic theories into policy and practice (Samuelson, 2006: 44). Furthermore, Friedman's ten-part, publicly broadcast, television series and best-selling accompanying book - in which he made the case for free market economics – reached a significant portion of the wider public[6]. Thus, it is of little surprise that the reading of Smith advocated by Friedman and his fellow Chicago School economists "has become the accepted identity of Adam Smith among most modern economists" (Evensky, 2005b: 198).

6.2 Friedman's Reading of the 'Invisible Hand'

Friedman's 'Defence of Selfishness' reading falls in line with what John Bishop (1995) refers to as the 'moral corollary' of Smith's invisible hand argument: "that is, if by everyone pursuing their own interest the advantages of society are maximized, then surely everyone ought, and this is a moral ought, to pursue their own interests." This moral argument comes in both a weak form

[6] Both the book and television series were named 'Free to Choose', however, Friedman had expressed his want to name them both the 'invisible hand' - a request that was only denied by the series' producers. See Friedman, 1988: 495-496.

– individuals are permitted to pursue their own interest – and a strong form which Bishop (1995: 167) relates to Friedman, in which individuals are "morally obliged to pursue one's self-interest". The moral invisible hand argument sits apart from the empirical form of this argument which simply states that "by pursuing their own interest or advantage, people unintentionally and unknowingly promote the public interest, or that which is most advantageous to society"; this resonates with the 'Market Mechanism' type discussed in the previous chapter (Ibid: 166-167). Bishop (Ibid: 167) explains that whilst he can identify the empirical form of this argument in the work of Smith, he "nowhere uses the invisible hand argument to draw moral conclusions". This moral corollary of' the 'invisible hand' argument relates to the trend that Wight (2007: 341) has identified, "in popular culture […] the metaphor of the invisible hand has become a catch phrase for […] the moral foundations of capitalism." I shall demonstrate that this moral corollary of the 'invisible hand' argument, referred to herein as the 'Defence of Selfishness' reading, is present in the work of Milton Friedman.

Friedman is a member of the Chicago School of Economics, a neoclassical school of economic thought. Jerry Evensky (2005b: 197) explains that "the 'Chicago school' of economics, home of such leading lights as Frank Knight […], George Stigler, Milton Friedman […] lays claim to Adam Smith as one of its own, for it traces its heritage directly to Adam Smith". Specifically, Friedman traces his defence of the pursuit of profit – and selfishness – to Smith's 'invisible hand'. Importantly, the new Chicago School's particular adoption of Smith and their subsequent portrayal of his thought and teachings have "become the accepted identity of Adam Smith" (Ibid: 198, see also Bragues, 2009: 447). This has led to what might be described as a Chicago 'conditioning' of Smith. Glory Liu (2020: 1046) explains that "The Smith of Stigler and Friedman, then, became the Chicago Smith familiar to scholar and lay readers today" (see also James & Rassekh, 2000). Thus, it is with particular interest that we explore Friedman's reading, acknowledging the widespread impact that it has had.

Friedman offers two published readings of the 'invisible hand': the first appears in his article *Adam Smith's Relevance For Today* (1978) and the second, in his book *Capitalism and Freedom* (2002) [1962]. Each shall be quoted to illustrate *how* Friedman invokes the 'invisible hand':

> *Smith's great importance for today and his great achievement […] is the doctrine of the 'invisible hand,' his vision of the way in which the voluntary actions of millions of individuals can be coordinated through a price system without central direction.*

Friedman, 1978: 6

> *...there is one and only one social responsibility of business to use its resources and engage in activities designed to increase its profits so long as it stays within the rules of the game, which is to say, engages in open and free competition, without deception or fraud. Similarly, the "social responsibility" of labor leaders to serve the interests of the members of their unions. It is the responsibility of the rest of us to establish a framework of law such that an individual in pursuing his own interest is, to quote Adam Smith again, 'led by an invisible hand to promote an end which was no part of his intention. Nor is it always the worse for the society that it was no part of it. By pursuing his own interest, he frequently promotes that of the society more effectually than when he really intends to promote it. I have never known much good done by those who affected to trade for the public good.'*

Friedman, 2002: 112

In the first quote, Friedman simply reads 'the invisible hand 'as a price system that co-ordinates the voluntary actions of individuals. The 'pricing system' is a system in which the price of a good or service provides information in relation to the relative supply of, or demand for, that good or service. Friedman bolsters his argument for government non-intervention in the economy by discussing the efficiency and capacity of the pricing system. Writing four years later in his book *Capitalism and Freedom*, Friedman does not offer such an explicit understanding of the concept. Rather, he draws a moral corollary from the 'invisible hand' argument, stating that businesses *should* pursue profits. This superficial difference between the readings is, however, not indicative of a change in Friedman's understanding: to substitute the 'invisible hand' for 'price system' in the second excerpt would not distort or disrupt Friedman's meaning. Thus, it may be concluded that Friedman's two readings, whilst not identical, are congruent. Ultimately, Friedman reads the 'invisible hand' as the pricing system and based on the existence of the pricing system, seeks to morally justify the pursuit of profit. It is this secondary aspect of

Friedman's reading – his statement that business ought to pursue profit – that differentiates his reading from that of Coase, discussed in the previous chapter. Both authors read the 'invisible hand' as the price system, however, only Friedman mounts a defence of selfishness on the basis of this reading.

6.3 Friedman's Epistemological Framework

Through my symptomatic reading of Friedman's *Methodology of Positive Economics* (1966), I have identified three key themes within his discussion and three correlating elements of his epistemological framework. Each of these elements condition his reading of the 'invisible hand' and thus constitute his 'Epistemology of Reading': firstly, what he counts as valid economic knowledge; secondly, how he believes one can test the validity of knowledge; and thirdly, his understanding of the role of assumptions in economic theory. Each of Friedman's epistemological preferences can be understood as containing characteristics of either positivism or instrumentalism[7]: he understands the role of economic theory to be the provision of accurate empirical predictions and gives precedence to objective, *a posteriori* knowledge. The following section shall examine each of the three elements of Friedman's epistemological framework and delineate *how* they condition Friedman's reading. Incorporating the knowledge of Friedman's epistemology into our analysis of his influential reading of the 'invisible hand' deepens our understanding of this particular piece of knowledge formation.

6.3.1 What counts as economic knowledge?

In *Methodology of Positive Economics* (1966), Friedman sets out his case for economics being a 'positive science' and specifically addresses the question of how to determine whether a theory or hypothesis should be accepted as valid economic knowledge. In short, he explains that positive economics centres on objectively explaining economic developments and making empirically-verifiable economic predictions free from ethical values or moral judgements. He frames his discussion by examining the relationship between what he terms 'normative' and 'positive' economics. Normative economics deals with questions of goal attainment and 'what ought to be', in contrast to positive economics that centres on achieving objectivity and describing 'what is' (Friedman, 1966:4) Whilst Friedman acknowledges the relevance of the discipline of economics

[7] These terms are employed to aid discussion rather than to make a substantive claim as a detailed review or justification for this classification lies outside of the purview of this thesis.

to normative problems, he states unequivocally that "Positive economics is in principle independent of any particular ethical position or normative judgement" (Ibid.). Whilst positive economics can achieve independence from normative economics, normative economics – on the other hand- is dependent upon positive economics; a normative policy prescription "rests on a prediction about the consequences of doing one thing rather than another, a prediction must be based – implicitly or explicitly – on positive economics" (Ibid: 5). The problem remains that while positive economics may be able to determine the specific consequences of a policy prescription, those outcomes may seem desirable to one individual and undesirable to another. Friedman states, however, that disagreements on what policy prescriptions to adopt "in the Western world […] derive predominantly from different predictions about the economic consequences of taking action – differences that in principle can be eliminated by the progress of positive economics – rather than from fundamental differences in basic values" (Ibid.). In other words, Friedman states that different opinions on economic policy derive from the fact that there is no one clear 'prediction' or consequence from a policy rather than as a result of the normative differences between individuals. Thus, the predictive power of economic theory should be increased – as is the goal of positive economics – and this would, in turn, decrease normative disagreements and increase consensus on economic theories and policies: "a consensus on 'correct' economic policy depends much less on the progress of normative economics proper than on the progress of a positive economics yielding conclusions that are, and deserve to be, widely accepted" (Ibid: 6).

There are a number of key implications of Friedman's argument, each of which are relevant to understanding *how* he has read Smith's 'invisible hand.' Firstly, Friedman unquestionably favours the discipline of positive economics, and believes that positive economics is, can be, and should be, independent of normative economics. Secondly, Friedman understands that the progress of economics lies in the development of positive, as opposed to normative, economics. Thus, to develop their discipline, economists should funnel their research efforts into positive economics, side-lining debates over basic values and principles "about which men can ultimately only fight" (Ibid: 5). It is in this manner that we can safely assume Friedman believes he engages with Smith's 'invisible hand', not in search of normative economics but rather in a positive capacity. In contrast to Friedman, Adam Smith is an author who seeks to "bind together the theological, jurisprudential, ethical, and economic arguments into one comprehensive,

interrelated system of thought" (Macfie, 1971: 599). Winch (1992: 95) states that Smith's drive to restore the links between political economy and the "science of morals" means that he would have not regarded an economic inquiry that was confined within the parameters of positive economics as "being worth pursuing". As a result of the interconnection of Smith's thought it is, in fact, commonly stated that an adequate analysis of Smith's famous *WON* necessitates an engagement with Smith's ethical writings as expounded in *TMS* (Werhane, 2000: 670).

Such an approach to reading is not adopted by Friedman and his failure to engage with Smith's normative and ethical dimensions can be evidenced by exploring his praise for the 'invisible hand'. Friedman claims that the 'invisible hand' shall co-ordinate the actions of millions of individuals (Friedman. 1978: 6). His acclaim for the phrase and his praise for its relevance is based upon his 'reading' of it as an anti-interventionist doctrine with emphasis placed upon the *voluntary* actions of individuals and the *absence* of central direction. Anti-interventionism is a fundamental pillar of Friedman's economic theory in which he claims that "every act of government intervention limits the area of individual freedom directly" and thus any mechanism that serves to co-ordinate without impinging upon freedom is worthy of praise (Friedman, 2002: 34). Friedman (Ibid: 11) claims that through Smith's eyes "we see that it [the market] is a finely ordered and effectively tuned system […] it is a system which enables the dispersed knowledge and skill of millions of people to be coordinated for a common purpose". In the example provided to substantiate this claim, Friedman presents this 'common purpose' to be the production of "an ordinary rubber-tipped lead pencil" (Ibid.). In contrast, within Smith's work the emphasis is placed upon the beneficial social outcomes of the 'invisible hand', including to "advance the interest of the society" (Smith, TMS, VII, IV). Thus, Friedman's reduction of the 'invisible hand' to an anti-interventionist, co-ordinating mechanism that serves to produce lead pencils or other goods is a clear example of his ignorance of the normative goal of Smith's 'invisible hand', namely the advancement of the interest of society. Such a reading of the 'invisible hand' is conditioned by Friedman's epistemological commitment to positive economics.

Once again, in *Capitalism and Freedom* we can see Friedman's neglect of the ethical element within Smith's oeuvre. Friedman provides a moral justification for the pursuit of profit by invoking Smith's 'invisible hand'. Friedman believes that "the invisible hand places people and companies under a positive moral obligation to pursue only their own interests" (Bishop, 1995: 170) This is made explicitly clear by Friedman when he argues that "there is one and only one social responsibility of business to use its resources and engage in activities designed to increase

its profits" (Friedman, 2002: 112). Friedman's promotion of self-interest as a positive moral obligation for businesses and corporations represents an understanding of Smith which directly contradicts Smith's own explicit, normative argument about human nature. In *TMS* Smith claims that "to restrain our selfish and to indulge our benevolent affections, constitutes the perfection of human nature" (Smith, *TMS*, I, I, I.). This explicitly normative judgement about human nature contrasts with and undermines Friedman's claim about the positive moral obligation of businesses.

6.3.2 How can you test the validity of knowledge?

Friedman states that a "consensus on 'correct' economic policy" depends upon the development of positive economics and its capacity for producing correct predictions: "The ultimate goal of a positive science is the development of a 'theory' or 'hypothesis' that yields meaningful (i.e., not truistic) predictions about phenomena not yet observed" (Friedman, 1966: 6-7). In other words, the worth of an economic theory lies in its predictive capacity – an inherently instrumentalist understanding of the role of theory. And it is only "factual evidence" that can be used by the economist to determine a theory's predictive capacity and, therefore, whether it should be accepted or rejected (Ibid.). Thus, to determine the *validity* of an economic theory or hypothesis the economist must compare "its predictions with experience" (Ibid: 9). Friedman acknowledges the difficulty of testing particular predictions within the 'real economic world' in which experiments, and control experiments cannot be created. However, this is not a fundamental obstacle as instead, economists rely upon "evidence cast up by experience" which is both "abundant" and "conclusive" and thus can enable the testing of the predictive capacity of an economic theory or hypothesis (Ibid: 10). This evidence, in comparison to that from an experiment, can at points be "complex […] indirect and incomplete" (Ibid: 10). According to Friedman, the fragmentary nature of the available evidence poses two key problems for the discipline of economics: firstly, it becomes difficult to reach a "reasonably prompt and wide consensus" on the theory under question and, secondly, it is difficult to successfully and permanently 'weed out' theories that do not fully conform with the evidence (Ibid: 11). Despite the potential for incompleteness or complexity, observable empirical evidence remains the only way that – according to Friedman – one might test the predictive capacity of an economic theory. And testing the predictive capacity of an economic theory or hypothesis is the only way in which it can be deemed as valid and accepted as part of the body of knowledge. Valid economic

knowledge, therefore, is both free from ethical, normative judgements and has predictive capacity which can only be validated using empirical, observable evidence.

This positivist element of Friedman's epistemological framework has profound implications for understanding *how* Friedman reads 'the invisible hand.' Knowledge is to be judged by its power to predict when assessed against "factual evidence" and the more often a piece of knowledge endures an opportunity in which it may have been contradicted, the more confidently the piece of knowledge will be held (Friedman, 1966: 9). Friedman's emphasis upon the predictive power of economic theory removes it from the specific time and place in which it was forged and, instead, renders it universalisable, able to be proven or disproven in any alternative context, time or place. This anachronistic quality, conditioned by his epistemological commitment, exists throughout Friedman's work and specifically in his reading of 'the invisible hand.'

Writing in celebration of the bicentennial of *The Wealth of Nations*, Friedman claims that there are many resemblances between 1976 and 1776 "that make Adam Smith even more immediately relevant today" than in the previous century (Friedman, 1977: 6). Friedman identifies himself as a radical revolutionary seeking to overcome government intervention in the economy, a pattern which he claims is pervasive. He seeks to demonstrate the "extraordinary contemporaneity of the *Wealth of Nations"* by taking eight issues/policies relevant to 1976 and illustrating how Smith's comments and analysis can be used to explain or rectify them (Ibid: 8) These policies include the Humphrey-Hawkins Bill of 1978 "which is designed to establish a process of long-range economic planning" and which Friedman claims Adam Smith speaks of '" accurately" and "devastatingly" (Ibid:4). This is not the only time that Friedman decontextualizes Smith's work; he goes on to speak of "Adam Smith's comment on the proposal by presidential candidate Ronald Reagan" (Ibid: 5). And of "Smith's devastating 1776 review" of Kenneth Galbraith's work, which was published 168 years *after* Smith's death (Ibid: 5). Friedman then concludes his discussion of these "particular issues" and moves onto more "general issues", proclaiming: "Smith's great importance for today and his great achievement […] is the doctrine of the 'invisible hand" (Ibid: 6). He claims that Smith's statement of the 'invisible hand' in *The Wealth of Nations* is a "highly sophisticated and subtle insight" (Ibid: 11). More specifically, a "subtle analysis of the price system", or "the self-regulating market mechanisms" which, Friedman argues, was underpinned by Smith's sense of wonder about the economy and determination to discover its inner coherency (Ibid: 12). However, in proclaiming the success of Smith's works and insights, Friedman disregards the 200 years that lie between his own work and that of Smith's. In doing so, he

demonstrates an ignorance of the economic climate within which Smith was writing. Bassiry and Jones (1993) argue "in order to ascertain the deeply moral nature of Smith's project, one needs to approach his work with an awareness of the historical context in which it was formulated" (Bassiry & Jones, 1993: 622). Milton Friedman is receiving and promoting Smith in a time of modern capitalism characterised by free markets, large corporations and deregulation. On the contrary, Adam Smith's economic work, written nearly 200 years earlier, was a response to "the real enemy… the mercantile system" (Coleman, 1988: 164). Trade was the major force for economic growth in the mercantile economy and therefore the large trading companies such as the East India Company "had great power in relation to national governments" (Willis, 2011: 37). In order to protect their interests these merchants supported protectionist measures including high import tariffs for goods produced outside the country, making the domestic market more competitive (Ibid.). In Book IV of the *Wealth of Nations,* Smith sets out a thorough analysis of the mercantile economic system in which he discusses "the mean rapacity, the monopolizing spirit of merchants and manufacturers, who neither are, nor ought to be, the rulers of mankind…" (Smith, *WON,* Book IV, Chapter III) that act "in concert to invent, maintain and exploit the mercantile system" (Coleman, 1988: 165). Therefore, Smith "developed his model of a market driven, consumer-based economic system" in order to emancipate the consumer from the political economy of mercantilism (Bassiry & Jones, 1993: 622). In spite of Smith's explicit engagement with the mercantile economy of his time, Friedman invokes the 'invisible hand' to justify the profit-seeking actions of large corporations acting within a consumerist, capitalist free market. He fails to acknowledge that Smith at no point used the word 'capitalism' and, in fact, "had been dead for almost 50 years before it entered the language via Karl Marx" (Rollert, 2012: Para. 2). Not only does Friedman use the 'invisible hand' to *justify* this phenomenon but also measures the worth of Smith's approach by its capacity to make 'meaningful' predictions about this modern economic system. It is clear, therefore, that Friedman's instrumentalism has conditioned the anachronistic elements of his reading of the 'invisible hand', universalising the concept by removing it from its historical time and place to be proven or disproven at any point Friedman chooses.

6.3.3 What is the role of assumptions in economic theory?

It has been established that Friedman's epistemological framework has conditioned a reading of the 'invisible hand' that both neglects the ethical elements of Smith's oeuvre and is anachronistic in nature. The third element of Friedman's epistemological framework identified in *Methodology*

of Positive Economics is his understanding of the role of assumptions in an economic theory. This particular element of his epistemological framework both sheds light on *how* the 'invisible hand' has been read by Friedman and also *why he* has been willing to engage with the 'invisible hand' at all. It remains a mystery why an economist that so emphatically calls for economic knowledge to be objective and validated through measurable, observable empirical facts would adopt - and revere - a phrase as devoid of factual information as 'the invisible hand.' Examining Friedman's understanding of the role of assumptions in economic theory sheds light on this incongruity.

Friedman specifies that for an economic theory or hypothesis to be deemed relevant or valid it must produce accurate predictions but this, Friedman admits, is methodologically challenging. (Friedman, 1966: 14). Gathering new factual evidence relevant to a specific class of phenomena and then testing its "conformity with the implications of the hypothesis" can prove difficult and problematic in the field of economics (Ibid.). Because of this difficulty, there is a tendency to not test the implications of the theory against factual, empirical evidence but rather to test the more readily available and accessible, assumptions of the theory. Friedman strongly condemns this approach of testing a theory's assumptions and claims that it is "fundamentally wrong", produces "much mischief" and "promotes misunderstanding about the significance of empirical evidence for economic theory" (Ibid.). This condemnation provides a crucial insight into how Friedman understands the role of assumptions within theories: "A theory or its 'assumptions' cannot possibly be thoroughly 'realistic' in the immediate descriptive sense so often assigned to this term" (Ibid: 32). He employs the example of the theory of 'perfect competition' to illustrate his point. Simply, 'perfect competition' is a theoretical market structure with the greatest possible level of competition against which other real-life market structures are often compared. Perfect competition is defined by several idealized conditions, these include, but are not limited to: 1) all firms make the same product 2) there exists a large number of buyers and sellers 3) no firm can control the market price of their product and, 4) there is freedom of entry into, and exit from, the market (Ibid: 15). Friedman claims that much of the criticism of this theoretical approach is not based upon its predictive capacity when tested against empirical, factual evidence but instead is "based almost entirely on the directly perceived descriptive inaccuracy of the assumptions" (Ibid.). By this, Friedman means those who seek to undermine and criticise the theory of perfect competition do so by showing that these idealized conditions do not and cannot exist in the 'real world'. Friedman claims that this form of evaluation is invalid as the researcher is not testing the

predictions or implications of the theory but rather its assumptions. Such a focus on the theory's assumptions is meaningless as successful theories rely on abstraction, they must "abstract the common and crucial elements from the mass of complex and detailed circumstances surrounding the phenomena to be explained and permits valid predictions on the basis of them alone" (Ibid: 14). In fact, Friedman goes as far as to say that "a hypothesis *must* be descriptively false in its assumptions; it takes account of, and accounts for, none of the many other attendant circumstances, since its very success shows them to be irrelevant for the phenomena to be explained" (Ibid: 14-15 [Emphasis Added]).

The question remains, how does Friedman's understanding of the role of assumptions in economic theory impact his reading of the 'invisible hand'? He equates the 'invisible hand' with the price system in his article *Adam Smith's Relevance For Today.* Following Friedman's own logic, as expounded in his *Methodology* article, it is the implications of the 'invisible hand', or the 'price system' that are of interest, *not* their underpinning assumptions. Thus, Friedman judges the implications of the price system, equated with the 'invisible hand', and the extent to which they conform to reality. Friedman claims that they conform, and therefore are valid, as demonstrated when he praises Smith's "vision of the way in which the voluntary actions of millions of individuals can be coordinated", the system that he foresaw that "enables the dispersed knowledge and skill of millions of people to be coordinated for a common purpose" (Friedman, 1977: 11). To demonstrate the capacity of this co-ordinating price system, Friedman uses the example of the production of a pencil in which manufacturers from across the world - from Malaya, Mexico and Washington – come together in a finely ordered system to produce a product. What does this tell us about how Friedman understands the 'invisible hand'? Not very much. The assumptions so commonly attributed to the 'invisible hand' that it is a 'divine hand' and that it is 'a natural order', are of no consequence to Friedman. He simply equates the 'invisible hand' with the price system and then from that point onwards his conclusions and comments are no longer a reflection on the assumptions underpinning the 'invisible hand', or price system, but instead on the implications of this approach, its conformity with reality and its predictive capacity. What can be concluded from this is that Friedman's interest lies not in examining and unpacking what Smith meant by the 'invisible hand' - this he simply decides is the price system – but instead, in identifying a historical justification for his theoretical approach that he then seeks to demonstrate produces empirically verifiable predictions and therefore constitutes valid economic knowledge.

6.4 George Stigler

Whilst researching Milton Friedman's reading of the 'invisible hand' I made a notable observation relating to the work of Friedman's colleague, and fellow Chicago School economist, George Stigler and his own engagement with the 'invisible hand'. Within the literature there are a number of authors who discuss Stigler's reading of the 'invisible hand'. For example, Mark Skousen (2012) explicitly states "Stigler […] identified the invisible hand doctrine as 'the crown jewel' and first principle of welfare economics"; and Paul Oslington (2011: 429) explains that "for the Nobel prize winning economist George Stigler […] the invisible hand idea was the 'crown jewel' of the *Wealth of Nations"*. I was, therefore, surprised that my *NVivo* analysis that spanned from 1899-2017 – the time at which Stigler was writing and publishing – had returned no instances of Stigler's reading of the 'invisible hand'. On this basis I decided to enquire further into Stigler's engagement with Smith.

Stigler makes his reverence for Smith's work abundantly clear and in his 1976 paper, 'The Successes and Failures of Professor Smith'; he states that he has "long been a good friend of Smith" who is "as great as an economist as has ever lived" (Stigler, 1976: 1200). In his discussion of the successes and failures of Smith, Stigler introduces the term 'proper success': when an element of Smith's thought "becomes a part of the living economics of successors" either through their use of, or dispute of, this aspect of his work (Stigler, 1976: 1201). Discussing Smith's 'proper successes', Stigler explains that Smith has:

> *one overwhelmingly important triumph: he put into the center of economics the systematic analysis of the behaviour of individuals pursuing their self-interest under conditions of competition […] The proposition that resources seek their most profitable uses, so that in equilibrium the rates of return to a resource in various uses will be equal, is still the most important substantive proposition in all of economics.*
>
> Stigler, 1976: 1201

Stigler does not indicate where in the *WON* he has identified this important triumph, however, he does explicitly state that this "theory of competitive prices", with the pursuit of self-interest at its core, constitutes the "crown jewel of *The Wealth of Nations"* (Stigler, 1976: 1201). In his paper 'Smith's Travels on the Ship of the State', Stigler again expresses this sentiment when he claims that the *WON* "is a stupendous palace erected upon the granite of self-interest" (Stigler, 1971: 265). Furthermore, Stigler claims that Smith's "construct of the self-interest seeking individual in

a competitive environment is Newtonian in its universality" (Stigler, 1976: 1212). It is clear from these statements that Stigler believes that 'self-interest' is at the core of Smith's work and this constitutes his biggest contribution to the discipline of economics.

In my analysis of Stigler's work, however, I only came across one instance of him referring to Smith's 'invisible hand'. Not in his article 'The Successes and Failures of Professor Smith' nor 'Smith's Travels on the Ship of the State' but rather in the conclusion of his article, 'The Law and Economics of Public Policy: A Plea to Scholars' (1972). Here, Stigler discusses the working relationship between economists and lawyers, encouraging them both to adopt new ways of thinking and approaches to work. Stigler concludes by stating "the legal scholar who directs himself to these basic problems of social policy will be 'in this, as in many other cases, led by an invisible hand to promote an end which was no part of his interest,' namely his self-interest" (Stigler, 1972: 12). Or, in other words, the legal scholar benefits herself when adopting the approach of the economist. This invocation of the 'invisible hand', however, does not clarify how Stigler understands the phrase itself. The outcome or 'end' appears to be the satisfaction of the legal scholar's self-interest, but this is as a result of the 'invisible hand' mechanism as opposed to the meaning of the 'invisible hand' itself. Furthermore, this is Stigler's only explicit engagement with the phrase and, therefore, it can be concluded that when Skousen (2012) and Oslington (2011) discuss Stigler's reading of the 'invisible hand' they are, in fact, imposing upon him their own readings of the 'invisible hand'. They each take Stigler's praise for self-interest to be synonymous with praise for the 'invisible hand' which is in fact a reflection upon their own understanding of what the 'invisible hand' is, in combination with their presumption that Stigler shares in this understanding.

This phenomenon does not serve to bolster my argument that an author's epistemological commitments impact their reading; however, it highlights how hermeneutical issues arise and become solidified. By discussing Stigler and his 'reading' of the 'invisible hand', Skousen (2012) and Oslington (2011) are, in effect, producing this reading, they are making a particular knowledge claim. There is now in existence, Smith's original use of the phrase, Stigler's engagement with it and, additionally, Skousen and Oslington's interpretation of Stigler's engagement. Concurrent and future readings of Smith's 'invisible hand' are undertaken within this context of meaning, they are not simple, one-way interpretations of Smith but may also be impacted by the existence of these alternative readings. Therefore, Skousen and Oslington's discussions are not simply misunderstandings of Stigler and his engagement with the 'invisible

hand'. Rather, if their discussions become accepted knowledge, they have the potential to impact further interpretations of Smith. Normatively speaking, this occurrence highlights the problems encountered when an interpretation of an author and their works is not based upon a thorough and comprehensive reading.

6.5 Concluding Thoughts

This chapter has detailed how Friedman's epistemological framework has shaped his particular reading of the 'invisible hand' as both the pricing system and the moral justification for the pursuit of profit. Of the authors analysed within this thesis, Friedman is arguably the most influential in terms of both his intellectual and political impact. His reading of the 'invisible hand' can, therefore, be understood as being particularly impactful in its role as a justification for minimising government intervention and as a justification for the pursuit of profit. Furthermore, his reading can be seen to shape subsequent understandings of both Smith and the phrase (Liu, 2020). To adequately understand Friedman's theory of the pricing system or of government intervention, one must be able to determine the theoretical basis upon which he builds these theories, namely Smith's 'invisible hand', and I have demonstrated here that to do so adequately requires analysis of Friedman's epistemological framework.

Chapter 7. The 'Invisible-Hand Explanation' Reading

7.1 Introduction

This chapter analyses readings of the 'invisible hand' that identify the phrase as an example of, and the basis for, both 'invisible-hand processes' and 'invisible-hand explanations', so named by Robert Nozick (1974). An invisible-hand process occurs when a pattern or outcome is produced and maintained through the aggregation of the dispersed actions of individuals without the goal of achieving said pattern or outcome (Nozick, 1994: 314). An invisible-hand explanation is simply the explanation of such a process. I analyse this type of reading and its associated 'Epistemology of Reading' through a symptomatic, intertextual engagement with the works of Edna Ullmann Margalit and Robert Nozick. Both Margalit and Nozick have produced impactful and prominent texts in which they link their discussion of the existence of invisible-hand processes and explanations directly to the work of Smith. Analysis of their underpinning epistemological frameworks demonstrates that their invocation of the 'invisible hand' is itself an epistemological act, a statement on how one might, and should, gain knowledge about the emergence and persistence of social institutions and patterns. Exploring this invocation of the 'invisible hand' in an epistemological capacity firmly demonstrates the inherent and inalienable role that epistemology plays in the shaping of our readings.

During the 20th and 21st centuries, the role of the 'invisible hand' can be, broadly speaking, shown to fall into one of two camps: either as a normative or as an explanatory theory (Tieffenbach, 2013: 451). Those that employ it as a normative theory do so in order to justify or defend the deregulation of the market, the privatisation of public goods and more generally the limitation of government action in the economic realm. As an explanatory theory, on the other hand, the 'invisible hand' is employed to describe the way in which particular social, political or economic outcomes arise. Readings of the 'invisible hand' as either an 'invisible-hand process' or 'invisible-hand explanation', as put forward by Nozick and Margalit, fall into this second, explanatory camp.

Warren J Samuels (2011), who writes extensively about the 'invisible hand', is careful to differentiate this explanatory type of reading. He argues that, generally speaking, "there is no invisible hand […] in the sense that nothing is added to knowledge by calling something the invisible hand" (Samuels, 2011: 149). He repeats this claim throughout his work, going as far as to claim that the "continued use" of the 'invisible hand' "must at its base constitute an

embarrassment" (Ibid: 291). However, he makes a notable exception when he encounters 'the invisible- hand processes' as found in the work of Margalit (1978) and Nozick (1974) claiming that "almost all uses of the term add nothing to substantive knowledge […] the exception is the invisible-hand process." Samuels argues that these processes, unlike other invocations, "can contribute to knowledge and it need not come with some absolutist formulation attached – a very different situation in comparison with other identifications" (Samuels, 2011: 291). This chapter proceeds in the following manner: firstly, I examine Nozick's reading of the 'invisible hand' and in a second step I perform an intertextual, symptomatic reading of his work in order to identify the key epistemological assumptions that underpin said reading. In delineating these epistemological assumptions, I demonstrate their impact upon Nozick's engagement with the invisible hand– namely that Nozick's discussion of invisible-hand processes and explanations is itself an epistemological one. The same structure of analysis shall then be adopted for the examination of Edna Ullmann Margalit. I shall conclude by returning to my central argument, that one's epistemological framework plays a significant, inalienable role in the act of reading.

7.2 Robert Nozick

Robert Nozick (1938-2002) was a prominent libertarian philosopher. One of his central arguments, and the focus of his book *Anarchy, State and Utopia* (1974), is that only a minimal state, that is limited to the tasks of "protection against force, theft, fraud, enforcement of contracts, and so on" is justified (Nozick, 1974: ix). This form of minimal state is "inspiring as well as right" and other more extensive states that operate outside of these limitations are unjustified (Ibid.). Furthermore, this minimal state, argues Nozick, arises through an invisible-hand process and accordingly satisfies an invisible-hand explanation. The formation of the minimal state through an invisible-hand process is central to Nozick's thesis; in fact, its existence is morally justifiable on the basis that it occurs naturally through an invisible-hand process rather than as the result of deliberate human action and thus does not violate an individual's rights. Nozick invokes Adam Smith's 'invisible hand' as the explicit origin of his invisible-hand explanations:

> *They [invisible-hand explanations] show how some overall pattern or design, which one would have thought had to be produced by an individual's or group's successful attempt to realize the pattern, instead was produced and maintained by a process that in no way had the overall pattern or design 'in mind.' After Adam Smith, we shall call such explanations invisible-hand*

> *explanations. ('Every individual intends only his own gain, and he is in this, as in so many other cases, led by an invisible hand to promote an end which was no part of his intention.')*
>
> Nozick, 1974: 18-19

An invisible-hand process is when a pattern is produced and maintained through the aggregation of the dispersed actions of individuals without the goal of achieving said pattern and an invisible-hand explanation is simply the explanation of such a process. The strength of this type of explanation, explains Nozick, lies in the fact it is a "fundamental explanation" (Ibid: 8). Fundamental explanations perform their explanatory function without reference to the explicandum: invisible-hand explanations satisfy this criterion as they explain the existence of a social outcome *not* by referencing intentional action toward, or desire for, said social outcome but rather by discussing the disaggregated process by which it came about, a process that does not reference the social outcome itself. Tieffenbach (2013: 466) explains that the praise for these invisible-hand explanations lies in its classification as a fundamental explanation; in the "quite elitist pleasure of giving a description of social phenomena that the very agents who make it possible cannot themselves provide".

The creation and justification of the minimal state is the focus of Nozick's *Anarchy, State and Utopia* (1974) and consequently Nozick repeatedly returns to the discussion of both invisible-hand processes and explanations. He examines the transition from the system of dominant protective association, to ultra-minimal state, to minimal state. Each of these transitions is the result of an invisible-hand process and accordingly also satisfies an invisible-hand explanation. Indeed, it is the fact that these states of governance are the result of an invisible-hand process that justifies their existence:

> *We have discharged our task of explaining how a state would arise from a state of nature without anyone's rights being violated. The moral objections of the individualist anarchist to the minimal state are overcome. It is not unjust imposition of a monopoly; the de facto monopoly grows by an invisible-hand process and by morally permissible means, without anyone's rights being violated and without any claims being made to a special right that others do not possess.*
>
> Nozick, 1974: 114-115

Despite the significance of invisible-hand explanations within *Anarchy, State and Utopia* (1974), Nozick plainly states "I offer no explicit account of invisible-hand explanations". It is not until 20

years later, in his article *Invisible-Hand Explanations* (1994), that Nozick explores the concept extensively. He re-states and re-words his concept of an invisible-hand explanation and once again establishes Adam Smith as his historical predecessor:

> *A pattern or institutional structure that apparently only could arise by conscious design instead can originate or be maintained through the interactions of agents having no such overall pattern in mind. Following Adam Smith, I termed such a process or explanation an invisible-hand process or explanation...*
>
> Nozick, 1994: 314

Nozick uses the example of the emergence of a ruling class in order to further clarify his definition. A ruling class might arise because the most powerful members of a society want the best for their children. They might place their children in particular environments where they socialise with similarly advantaged people; on the basis of their shared values and educational attainment they might be hired by other powerful, advantaged people; due to the status of their jobs they may gain access to government officials and thus a pattern of powerful individuals "associating in social, business and political life" arises (Nozick, 1994: 316). This pattern emerges, suggests Nozick, without an over-arching aim of the creation of a ruling class and thus can be understood as an invisible-hand process and explained using an invisible-hand explanation.

7.3 Nozick's Epistemological Framework

Nozick understands Smith's 'invisible hand' to be the original invisible-hand explanation and thus the historical forerunner to his own approach. Ultimately, Nozick's conceptualisation of invisible-hand explanations and processes can be regarded as an epistemological undertaking in itself. In expounding his invisible-hand theory, Nozick is making an explicit statement about how one might increase their knowledge of the emergence and persistence of social institutions, under what circumstances this knowledge can be deemed valid and, furthermore, what does not constitute valid knowledge in the study of social institutions. I shall explore and unpack three key epistemological components of Nozick's framework: his critique of methodological individualism; his naturalisation of the 'invisible hand' and, finally, his epistemological preference for invisible-hand explanations over historical accuracy. By exploring each of these components, I demonstrate the inherent role played by one's epistemological assumptions in the process of reading our historical predecessors.

7.3.1 A Critique of Methodological Individualism

Nozick establishes his invisible-hand explanations in juxtaposition to the methodological and epistemological position 'methodological individualism'. Nozick explains that methodological individualists claim, "all true theories of social science are *reducible* to theories of individual human action, plus boundary conditions specifying the conditions under which persons act" (Nozick, 1974: 33). Or, in other words, a methodological individualist explains social phenomena by referencing the actions and motivations of individuals as opposed to looking at over-arching structures or systems. The reductionism of methodological individualists, therefore, sits in contrast with methodological holists who understand social phenomena as part of the larger system of which it is constituent. The position of 'methodological individualism' has both methodological and epistemological consequences: methodologically, these scholars seek to research the actions and motivations of individuals; epistemologically, they understand knowledge and the capacity for increasing knowledge to lie in engagement with individuals and their actions. Thus, by reading Nozick's critique of this approach symptomatically, I am able to garner insight into his own methodological and epistemological assumptions with regard to individualism and holism.

Nozick explains that invisible-hand explanations "need not be a subclass of methodological individualist ones" (Nozick, 1994: 318). This differentiation is due to the role of 'filtering systems' within invisible-hand explanations, the existence of these systems means they are incompatible with a methodological individualist position. Invisible-hand explanations:

> *...show how some overall pattern or design, which one would have thought had to be produced by an individual's or group's successful attempt to realize the pattern, instead was produced and maintained by a* ***process*** *that in no way had the overall pattern or design 'in mind'*
>
> Nozick, 1974: 18-19 [Emphasis Added]

The **process** highlighted in the above text, represents the role of the 'invisible hand' in Nozick's argument. This process may take one of two forms: a filtering process or an equilibrium process. Firstly, a filtering process produces a pattern (P) or social outcome by filtering out everything that does not align with P, leaving only things fitting P. An equilibrium process produces a pattern through each component part adjusting "to local conditions, with each adjustment changing the local environment of others close by, so that the sum of the ripples of the local adjustments constitutes or realizes P" (Margalit, 1974: 21). Nozick explains that the existence of

the filtering process, as one form of an invisible-hand process, demonstrates the deficiencies of methodological individualism. To recap, methodological individualists argue that social phenomena can be explained by reducing it to individual human action(s). However, the filtering mechanism of an invisible-hand process ensures that P is established and maintained by filtering out all "things" that do not fit P (Ibid: 22). Therefore, when analysing a pattern or social phenomena and seeking to explain why it has formed, one must reference the filtering process itself. The existence of said pattern is irreducible to individual human motivation and action, instead it can only be explained with reference to the filtering process. This, Nozick claims, refutes the key claim of methodological individualism. We see here a clear indication of Nozick's epistemological preference for a holist approach, an approach that explains social patterns and outcomes as components, and consequences, of larger systems. Such a preference conditions his engagement with the 'invisible hand', as the 'invisible-hand explanations' he seeks to justify, and provide a historical lineage for, are characterized by their holism.

7.3.2 Descriptive not Normative: The Naturalisation of 'The Invisible-Hand' Process

Nozick's understanding that social patterns and outcomes are components, and consequences, of larger systems as opposed to being reducible to individual human actions has further epistemological implications. The 'invisible hand' plays a crucial role in Nozick's justification of the emergence and existence of a minimal state. It exists *outside* the realm of deliberate, rational human action and thus when it is invoked to explain the creation of the minimal state, this too sits outside the realm of deliberate, rational human action. It is on this basis that Nozick claims it is a morally permissible state of governance, it evolves from the state of nature without the deliberate action of individuals. If it exists outside the realm of human action, one must ask then, in which realm does it exist? Nozick seems to establish an invisible process as a *natural* phenomenon, he 'naturalises' it. He explicitly establishes these explanations as "descriptive not normative" and, in doing so, suggests that these processes occur naturally and he is simply performing the task of identifying, explaining and presenting them to the reader (Nozick, 1994: 314). Relatedly, he explains that not every outcome arising from an invisible-hand process is desirable and, in fact, it may be preferable for particular outcomes to arise, and be maintained, consciously. There is, therefore, no benevolent, directing power (for example, a God) that is in control of the existence and direction of invisible-hand processes. Nozick draws upon 16 examples to further clarify his discussion of invisible-hand explanations; these also serve to demonstrate that he understands them as naturally occurring phenomenon. The first of these examples are "explanations within

evolutionary theory (via random mutation, natural selection, genetic drift, and so on) of traits of organisms and populations" (Nozick, 1994: 20) The second are "explanations within ecology of the regulation of animal populations" (Ibid.). In drawing upon these examples, Nozick demonstrates that his belief that invisible-hand processes are to be found in nature and his job, like that of Smith's before him, is simply to identify and describe said processes. Nozick's reading of the 'invisible hand' firmly mirrors this epistemological assumption: he engages with it in a functional manner and does not take from the 'invisible hand' a normative or value judgement. In fact, he does not comment upon Smith's own, so-called, invisible-hand process, what its constituent parts are nor the pattern or social outcome that it produces. Rather he takes from Smith a form of explanation, a way of describing and accounting for the emergence and existence of social patterns and outcomes in a general sense. Nozick seems to understand his role as one of systematizing a naturally occurring phenomenon, a task that he claims was also undertaken by Smith. Nozick's engagement with Smith, and specifically his reading of the 'invisible hand', is firmly grounded in the notion that Smith's statements, like his own, were descriptive and not normative in their intention.

7.3.3 Truth and the 'Invisible Hand'

Thus far it has been demonstrated that Nozick's reading of the 'invisible hand' is underpinned by two key epistemological assumptions: that to understand the emergence and persistence of social patterns we must see them in the context of the larger processes of which they are a consequence and secondly, that these processes are naturally occurring phenomena. In addition to these initial assumptions, Nozick's understanding of the role of truth and historical accuracy in relation to invisible-hand explanations, sheds further light on his reading of Smith.

As I outlined in the preceding pages, Nozick classifies invisible-hand explanations as 'fundamental explanations' on the basis that they are "explanations of the realm in other terms; they make no use of any of the notions of the realm […] minimizing the use of notions constituting the phenomena to be explained" (Nozick, 1974: 19). Intention-led explanations, on the other hand, rely on identifying individual's desires and beliefs for a social outcome in order to explain its emergence. Nozick explains that fundamental explanations provide greater understanding and are thus "more satisfying" (Ibid.). This greater level of understanding is attributed to the requirement for these explanations to reflect upon everything that may contribute toward the emergence of a social outcome and not merely individuals' desire for said outcome. Notably, the greater understanding afforded by the 'invisible hand' explanations is *not* contingent

upon the historical accuracy of such an explanation. Nozick explains that fundamental explanations on how the state would arise from the state of nature serve an explanatory purpose "*even if no actual state ever arose that way"* (Nozick, 1974: 7 [Original Emphasis]). To clarify his position, Nozick introduces the concept of 'potential explanations' "which intuitively (and roughly) is what would be the correct explanation if everything mentioned in it were true and operated" (Ibid.). These potential explanations might be defective in a number of ways: they might include a "false lawlike statement"; rely upon "false antecedent condition" or attribute an outcome to the wrong process (Ibid.). However, regardless of these defects:

> *a fundamental potential explanation (an explanation that would explain the whole realm under consideration were it the actual explanation) carries important explanatory illumination even if it is not the correct explanation. To see how, in principle, a whole realm could fundamentally be explained greatly increases our understanding of the realm.*
>
> Nozick, 1974: 8

Essentially, it is the existence of the fundamental explanation itself – as opposed to its accuracy – that positions invisible-hand explanations as an epistemologically superior method by which one might explain the emergence of a social institution or pattern. Such fundamental, potential explanations "pack explanatory punch and illumination, even if incorrect" (Ibid: 8-9). Nozick acknowledges that such a belief in the divergence between accuracy and explanatory power must be caveated: potential, fundamental explanations do not have explanatory import when they state what is known to be false, for example if they stated that there was a role for "ghosts or witches or goblins" in the creation of the social outcome (Nozick, 1974: 8). Rather, potential fundamental explanations have explanatory power when they include what could have been, a plausible alternative to what actually was. Nozick's discussion of 'truth', historical accuracy and invisible-hand explanations demonstrates his epistemological preference for invisible hand, as opposed to 'standard' or 'intention-led', explanations. Ultimately his preference for invisible-hand explanations supersedes his desire for historical accuracy. This epistemological assumption impacts upon Nozick's reading of Smith's 'invisible hand': as I discussed previously, Nozick does not unpack the specifics of Smith's invisible-hand explanation and, relatedly, does not seek to determine the 'truth' or historical accuracy of this explanation. Rather, the merit of Smith's work lies simply in his employment of the invisible-hand explanation and it is this that Nozick draws upon.

7.4 Edna Ullmann-Margalit

Margalit (1946-2010) was a Professor of Philosophy at the Hebrew University in Jerusalem. She engaged with Smith's 'invisible hand' in a number of papers across the span of her career. In 1978 she wrote *Invisible-Hand Explanations* in which she discusses these explanations generally before concluding with the statement that there are two distinct 'molds' or types of invisible-hand explanations: an aggregate mold and a functional-evolutionary mold. Friedrich von Hayek's comments on this first paper provided the impetus for Margalit's second paper on the same topic, *The Invisible Hand and the Cunning of Reason* (1997). Following his reading of *Invisible-Hand Explanations,* Hayek appeared "genuinely puzzled" to discover that Margalit was not an "ideological ally" despite her focus upon the 'invisible hand' (Margalit, 1997: 197). And thus, Margalit wrote *The Invisible Hand and the Cunning of Reason* (1997) to examine this confusion and to determine why Hayek "should have been so convinced" that she would share his ideological position (Ibid.). This examination entailed a more detailed outline of her original distinction between the two 'types' of invisible-hand explanations, the aggregate mold which is her own approach and the functional-evolutionary mold which she attributes to Hayek. It must be noted that the discussion of Hayek in the following section is simply an elaboration of Margalit's understanding of Hayek's work as the goal is to outline how she reads, and uses, the work of Hayek in her own reading of the 'invisible hand'. The following paragraphs shall unpack Margalit's reading of the 'invisible hand', focusing primarily upon the two aforementioned texts.

Margalit premises her discussion of invisible-hand explanations by examining the "natural human response to the phenomenon of order" which, she claims, is to attribute the phenomenon of order to intentional design and, in the case of natural order, to attribute it to a God (Ibid: 182). Thus, the development of the idea of evolution, in opposition to intentional or providential design, was regarded as "shocking" (Ibid.). It is at this point that Margalit employs the 'invisible hand':

> *And since the nineteenth-century notion of evolution, or spontaneous order, is itself rooted in the eighteenth-century notion of the invisible hand, there is a sense in which we may take the notion of the invisible hand as expressing a major antireligious intuition. This notion was meant to replace that of the 'Finger of God,' or 'Divine Providence' It was to play a central role in forging modern, secular sensibility.*
>
> Margalit, 1997: 182

Margalit explicitly traces her discussion of the 'invisible hand' back to Adam Smith and claims that it was Smith and his contemporaries, Hume and Ferguson, that first discussed such an aggregative process. They made it possible:

> *... to delineate a mechanism that can show in specific detail how the actions of numerous individuals aggregate so as to bring about a well-structured yet undesigned social institution. And it is this sort of aggregative mechanism that is the heart of an invisible-hand explanation worthy of its name. Only when an invisible-hand mechanism can be pointed to, can the spell of an explanation that postulates a creator, a designer, or a conspiracy be effectively broken.*
>
> Margalit, 1997: 183

Margalit's understanding of the 'invisible hand' as an anti-religious concept is compounded by her statement that its "liberating role firmly establishes the notion of the invisible hand as a cornerstone in the secular, rationalist worldview that we associate with the Enlightenment" (Ibid: 184). This reading of the 'invisible hand' as an anti-religious concept sits in stark contrast to the 'Transcendental' Reading that explicitly identifies it as an other-worldly mechanism and in some specific cases 'God' [see Chapter Three]. Margalit's perception of the 'liberating role' of the 'invisible hand' is of central importance to her reading as she tries to protect this characteristic by differentiating between two distinct types of explanations: a liberating, secular, aggregative invisible-hand explanation and a conservative, evolutionary, invisible-hand. Margalit distinguishes between the aggregative and evolutionary types of explanations on the basis of a number of characteristics; however, the most notable remains that 'evolutionary explanations' *do not* "constitute the hard core, paradigmatic cases of the 'invisible hand' explanations" that can be grounded in the work of Smith (Ibid: 190). Aggregate invisible-hand explanations, on the other hand, can be. This clear distinction enables me to examine Margalit's framing and understanding of Smith's 'invisible hand' both by studying what she claims it is, and what she claims it is not.

During the 18th and 19th centuries, Margalit argues that the 'invisible hand' performed a liberating role from the religious outlook by demonstrating that natural order could be achieved through means other than Providence. However, during modern, secular times she explains that in the form of an "evolutionary explanation", the concept no longer fulfils this liberating role and is instead "an instrument in the service of darker ideologies, conservative and counter-Enlightenment", ideologies that she associates explicitly with the work of Friedrich von Hayek (Ibid: 185). Evolutionary invisible-hand explanations seek to explain the existence of a particular institution by asking "why does it persist?" and "why does it continue to exist?", essentially

focusing upon its endurance as opposed to its emergence (Ibid: 187). This type of explanation functions similarly to that of the "conceptual tool of 'natural selection'" (Ibid.). Simply, an evolutionary explanation firstly establishes that a particular institution fulfils a useful social function, it then explains its existence on the basis of this usefulness, claiming that it is for this reason it continues to be in existence and is over time "reinforced and selected for" (Ibid: 188). Importantly, evolutionary explanations fail to account for the historical origins of the social institution in question, rather they focus upon explaining its continued existence. The integral role of 'functionality' or 'usefulness' within this type of explanation means that it is inherently value-laden in two ways. Firstly, only institutions that perform a useful function, and contribute "to the equilibrial well-being and survival of the society incorporating it" are able to be explained by these evolutionary explanations (Ibid: 188). Thus, these explanations are value-laden as determining whether an institution performs a useful function for society is inherently subjective. Secondly, this type of explanation is underpinned by the assumption that "human societies are self-regulating, goal-directed, organic systems" (Ibid: 189). This regulation occurs, not at the individual level, but rather is understood as part of a "large scale evolutionary mechanism that […] scans the inventory of social patterns and institutions" and allows those that add to the well-being of society to be maintained and persist (Margalit, 1978: 282). It is within this second assumption of the existence of a 'scanning mechanism' that Margalit identifies the "faulty and misguided" conservative element of these types of explanation, as it blurs "the delicate distinction between *requiring* that the institution that is the explanandum phenomenon have a socially beneficial function, and *presupposing* that it has such a function" (Margalit, 1997: 189 [Original Emphasis]). This presupposition would mean that adherents to evolutionary explanations identify persisting social institutions as socially beneficial simply on the basis of their persistence. This engenders a traditional, conservative approach as opposed to one of radical reform.

Margalit defines her own 'aggregate' invisible-hand explanations and processes against the value-laden evolutionary type. To repeat, it is these aggregate explanations that she claims can be identified in the work of Smith. Such an invisible-hand process is defined as:

> *an aggregate mechanism that takes as 'input' the diverse and dispersed actions of numerous individuals, and produce as 'output' an overall, structured, social pattern – subject to the assumption that the individuals concerned need neither foresee this pattern nor intend to bring it about*

Margalit, 1997: 190

These aggregate types of explanations and processes centre on the emergence of particular social patterns or institutions and thus nothing need be assumed about said institution, for example its usefulness or the degree to which it is socially beneficial. For this reason, "no ideology enters the picture" (Ibid: 191). The social institution under question *can* contribute to the wellbeing of society, however, this characteristic is not a necessary condition for the application of an aggregate explanation. Margalit argues that it is this type of aggregate explanation that Smith is referring to when he "talks about an invisible hand leading to the equilibrial pricing system within a perfectly competitive market" (Margalit, 1997: 190). She footnotes this statement by explaining that

> *the well-known passage occurs in Adam Smith, The Wealth of Nations (1776), IV.II.9. A less well known, and earlier, occurrence of the notion is in the Theory of Moral Sentiments (1759), IV. I 10. Smith's very first use of 'invisible hand' is in his History of Astronomy, III.2, but there it seems to have ironic theological connotations*

Margalit, 1997: 196

Margalit explicitly grounds the aggregate invisible-hand explanations in the work of Smith. Notably, she does not argue that these explanations are 'based upon' or 'modelled on' Smith's work but instead that Smith himself is referring to an aggregate invisible-hand explanation, albeit without using that specific phrase. This is further demonstrated when she suggests to the reader that to aid their comprehension of these aggregate invisible-hand explanations, they should ponder the "three paradigmatic examples offered in Section 2, to which we may now add the classical account, due to Adam Smith of the equilibrial pricing system that develops within the perfectly competitive market" (Margalit, 1978: 270).

7.5 Margalit's Epistemological Framework

The preceding section has demonstrated that Margalit reads Smith's invisible hand as an aggregate invisible-hand explanation, an explanation of a social pattern or institution that explains its emergence and maintenance by specifying the mechanism by which dispersed, intentional-less actions of individuals are aggregated. Smith himself, according to Margalit, expounded an invisible-hand explanation that accounted for the existence of an "equilibrial pricing system that develops within the perfectly competitive market" (Margalit,

1978: 270). The following section explores how Margalit's epistemological framework impacts upon her reading of the 'invisible hand'. Like Nozick, Margalit employs the 'invisible hand' as an epistemological concept. Her theory of invisible-hand processes and explanations is epistemological in nature: she is making a statement about how one should increase their knowledge of social institutions, how we might determine the validity of this knowledge and, what is not valid knowledge in relation to the study of social outcomes and institutions. I shall explore and discuss two of the key epistemological assumptions underpinning Margalit's engagement with the 'invisible hand': her belief that invisible-hand processes are naturally occurring phenomena and that these same processes are valuable despite historical inaccuracies.

7.5.1 Naturalisation of the 'Invisible Hand' Process

Like Nozick, Margalit engages with the 'invisible hand' in a descriptive, not normative sense. By this I mean she perceives her role to be one of describing a process that has, and continues to occur, not advocating for such processes. The implications of such an engagement are that these invisible-hand processes are naturally occurring phenomena – they occur without intention or direction. Like Nozick, Margalit's naturalisation of 'the invisible-hand process', her understanding of it as a naturally occurring phenomena, is what underpins her engagement with the 'invisible hand' in a descriptive, not normative, capacity. However, unlike Nozick who naturalises the concept, its processes and explanations explicitly, Margalit's naturalisation remains implicit within her writings and the way in which she frames her discussion. Engaging with her work symptomatically demonstrates this unstated and implicit epistemological assumption within her work.

Margalit claims that an invisible-hand explanation uproots a seemingly convincing account of intentional design and replaces it with "an account that specifies the workings of a mechanism that aggregates the dispersed actions of individuals into the overall pattern (the explanandum phenomenon)" (Margalit, 1978: 278). Notably, these individuals do *not* intend to bring about this overall pattern. Thus, according to the work of Margalit, the key characteristic of an invisible-hand explanation can be said to be that it "specifies the workings of a mechanism", likewise an invisible-hand process *is* this mechanism (Ibid.). Margalit clarifies her discussion of these aggregate invisible-hand processes and explanations by providing three "paradigmatic" examples, from which we can gain an insight what Margalit terms "the workings of a mechanism" (Ibid.). One of the examples employed by Margalit is Nozick's account of the rise of the minimal state, we know from the previous section on Nozick that this is what Margalit refers

to as, a "consciously styled […] invisible-hand explanation" (Ibid: 264). She summarises Nozick's account: from the state of nature; to the formation of mutual-protection associations; to the single, dominant protective agency that constitutes the minimal state. This is deemed to be an invisible-hand process on the basis that it accounts for the emergence of the social pattern, the minimal state, through the aggregation of dispersed and design-less individual actions. However, the specific mechanism that aggregates the individual desires for protection, economies of scale and the division of labour remains unidentified. And thus, exactly what the 'invisible hand' process *is* remains unclear. This vagueness is further exemplified in Margalit's example of the "continuous creation of money within the banking system" (Ibid: 264). Margalit draws on the work of Paul Samuelson to explain that the commercial banking system arose out of the dispersed actions of individuals without a clear intention to create such a system. The explanation states that historically goldsmiths were paid to house and protect people's gold and they quickly realised two things: firstly, they need not return the same piece of gold to the original depositor and secondly, that they were not required to hold all the gold at once as not all deposits were withdrawn simultaneously. These realisations meant they were able to invest large portions of the money deposited with them in loans and this led to the creation of new money (Ibid: 264). Thus, the dispersed action of individuals is aggregated by an *invisible-hand process* and this leads to the continuous creation of money within the banking system. This aggregative mechanism, the specific *thing* that brings together these dispersed, intention-less actions remains undisclosed. We know that it is the mechanism by which the "shrewdness" of the individual goldsmiths comes together, however, it remains unidentified by Margalit (Ibid.). The implication of Margalit's framing of the 'invisible hand' processes, and specifically her decision to not specify the aggregative mechanism, is that these processes are naturally occurring phenomenon or a naturally occurring human characteristic or motive such as self-interest. And like in the case of Nozick, Margalit's reading of 'the invisible hand 'mirrors this assumption that invisible-hand processes are a naturally occurring phenomenon. Smith's discussion of the 'invisible hand' is understood as descriptive, simply identifying and explaining what he believes to have occurred. Margalit takes from Smith this form of analysis, she does not draw upon, analyse or critique his substantive comments but rather she observes Smith's form of explanation and adopts this as her own. Her emphasis is placed not on what is to be explained, but on how one might explain. This functional engagement with Smith is underpinned by Margalit's understanding that these invisible-hand processes are simply in existence, naturally occurring, waiting to be explained.

7.5.2 Truth and the 'Invisible Hand'

A symptomatic engagement with Margalit's work demonstrates that she has an epistemological preference for invisible-hand explanations regardless of their truthfulness or historical accuracy. Her preference is simply for the form of invisible-hand explanations as opposed to intention-led or design-led explanations.

Margalit explicitly tackles the epistemological question regarding the "truth and cogency of invisible-hand explanations" (Margalit, 1978: 274); she explains that the merits and worth of a 'true' invisible-hand explanation – when the social institution under question has, "as a matter of historical fact", emerged through an invisible-hand process – is self-evident (Ibid.). However, "independently of its truth", an invisible-hand explanation may be judged by its cogency (Ibid.). To be deemed 'cogent' an invisible-hand explanation must adhere to a number of standards: it must explain a particularly complex structure; likewise, it must be adequately sophisticated and finally, it must adhere to the constraints and parameters as set out by Margalit, namely explain the aggregation of dispersed, intention-less individuals (Ibid.). Thus, the question arises, what is the value of invisible-hand explanations that are cogent but are either known to be false or their truthfulness or falsity cannot be determined. To answer this question, Margalit introduces the concepts of 'explanatory import' and 'explicatory import': an explanation has explanatory import when it has the capacity to accurately account for a particular social outcome or pattern, it has explicatory import, on the other hand, when it provides "an account of how something could have emerged rather than the tracing down of its actual origins" (Ibid: 266).

With regard to explanations of the emergence of social outcome and patterns that are known to be false, Margalit claims that despite their inability to explain the *emergence* of a social pattern or institution, their "explanatory import" lies in determining why a pattern or institution is maintained (Ibid: 275). These evolutionary explanations "contribute to our understanding of the inherently self-reinforcing nature of this pattern and hence of its being successful and lasting" (Ibid.). Margalit explains that unverifiable explanations, in addition to those known to be false, also contribute to our understanding of the maintenance of particular social patterns or institutions. So, explanations that are deemed to be inaccurate, or are not able to be verified, still have explanatory import in so much as they are able to explain the maintenance of a social pattern or institution if not the emergence of it.

However, unverifiable explanations have a secondary characteristic. With regard to the *emergence* of a social institution or pattern, Margalit argues (Ibid: 276) that the mere existence of a cogent, aggregate invisible-hand explanation –even when its truth is undeterminable – undermines an intentional-design explanation and herein lies its "explicatory import" (Ibid.). Such accounts are regarded as *rational reconstructions* and have explicatory import, regardless of historical accuracy. Margalit grounds her understanding of rational reconstruction in the work of Carnap: it is a theory that systematizes or makes more exact "a body of generally accepted but more-or-less vague beliefs" (Carnap, 1947: 147). Providing 'truth' is a secondary task of this rational reconstruction, rather its primary goal is to systematize widely held beliefs based on experience and intuition. The explicatory value of the 'invisible hand' explanation can be enhanced by adhering to two standards: it needs to be "logically, physically and humanly possible" and, due to the nature of the explanation, cannot be reductionist or refer to the explanandum within the explanation. These considerations led Margalit to her most explicit statement on truth and historical accuracy:

> *There is even a sense in which the fact that a cogent invisible-hand explanation proves false is felt to be peculiarly irrelevant: the fact that someone was actually smart and quick enough to have intentionally brought about the pattern in question is felt, I think, to shed but little light on its nature – indeed is felt to be almost accidental.*
>
> Margalit, 1978: 277

Here, Margalit is suggesting that the fact an invisible-hand process is known *not* to have occurred and thus is historically inaccurate, is simply 'peculiarly irrelevant'. Furthermore, the fact that an individual may have brought about the social pattern is 'felt to be almost accidental'. In these statements, Margalit demonstrates that her epistemological preference for invisible-hand explanations is not based upon their capacity for historical accuracy or truthfulness but instead is simply based on their form, the simple fact that they are invisible-hand explanations. Margalit's epistemological position is further clarified when we remember that the 'invisible hand' is taken as "a major antireligious institution" that replaces "the 'Finger of God'" or "Divine Providence" and enables "the spell of an explanation that postulates a creator, a designer, or a conspiracy be effectively broken" (Margalit, 1997: 183).the 'invisible hand' process is able to challenge and overcome this providentialism not on the basis of its historical accuracy or ability to expose the truth but simply on the fact that it is not an intention-led explanation. In other words, the very

existence of such an invisible-hand explanation is understood by Margalit as epistemologically superior to explanations grounded in ideas of intentional design.

Margalit's epistemological preference for invisible-hand explanations over historical accuracy shapes her engagement with Smith's 'invisible hand'. As I have demonstrated, Margalit engages with Smith's discussion of the 'invisible hand' in the Wealth of Nations and she invokes this as a classic, paradigmatic example of aggregate invisible-hand explanations. She also explicitly sums up Smith's 'invisible-hand process': "the equilibrial pricing system that develops within the perfectly competitive market" (Margalit, 1978: 270). Margalit praises Smith's work and specifically his aggregate invisible-hand explanation. However, this praise is not the result of an exploration of the validity of theories regarding the equilibrial pricing system or the perfectly competitive market. Rather, her praise is based solely on the form of Smith's explanation, the fact that she identifies in Smith the use of an aggregate invisible-hand explanation. Similarly, Margalit's discussion of the further paradigmatic examples of the 'invisible hand' explanations, including Nozick's minimal state and Samuelson's theory of the creation of money, are not presented to the reader in such a way as to prove their value through demonstration of their accuracy. Rather, these paradigmatic 'invisible-hand explanations' are outlined in brief and then praised on the basis of their adherence to the form of an invisible-hand explanation. Thus, Margalit's engagement with Smith can be understood as a functional or practical reading, taking from Smith what is required to provide historical justification for her theory of invisible-hand explanations, without the requirement for substantive engagement with his works.

7.6 Concluding Thoughts

This chapter has demonstrated that both Nozick and Margalit have employed Smith's 'invisible hand' in an epistemological capacity, to underpin their theories of how one can gain knowledge of the emergence and persistence of social outcomes, institutions and patterns. In short, they each outline a theory of knowledge, specifically a theory of knowledge of social institutions and patterns, that is centred on invisible-hand explanations and, therefore, on Smith. Their invocation of the 'invisible hand' as an epistemological concept has, as with all invocations, been underpinned by their own epistemological assumptions. The symptomatic, intertextual engagement with both authors demonstrated a significant overlap in their epistemological assumptions, specifically their understanding of invisible- hand processes as naturally occurring phenomena and their epistemological preference for invisible- hand explanations despite known

historical inaccuracies. In addition, Nozick expounded a significant critique of the methodological and epistemological position known as ‘methodological individualism’, demonstrating his preference for a holist approach to the study of social outcomes and patterns. All in all, these epistemological assumptions have underpinned an engagement with the ‘invisible hand’ that may be understood as functional, as opposed to substantive. It is merely the form of Smith’s explanation that both Nozick and Margalit understand to be of value**.** They do not seek to unpack or explore Smith’s substantive comments but rather use this form of explanation to offer a new take on understanding social outcomes and push intention-led and god-centred explanations into disrepute.

Chapter 8. The 'Spontaneous Order' Reading

8.1 Introduction

This brief chapter employs the work of Friedrich von Hayek to explore readings of the 'invisible hand' as 'Spontaneous Order'. *NVivo* analysis highlighted a number of examples of this type of reading, including the work of Ulrich Witt (1989: 155), who discusses a tradition which he labels the "*Smith-Menger-Hayek conjecture* of a 'spontaneous order', i.e., unintended and unplanned, emergence of institutions". Witt (Ibid.) goes on to explain that the basis of this idea is found in "Adam Smith's notion of the 'invisible hand'" and that Hayek has, in recent years, "extensively elaborated" upon this concept. A further example is found in the work of Richard Wallick (2012:224) who explains that "the ability of a self-interested agent 'to promote an end which was no part of his intention' was recognized by Adam Smith […] over two centuries ago […] Hayek […] calls it 'spontaneous order'". Additionally, Elias Khalil (1997: 301) understands spontaneous order as "a particular reformulation of Adam Smith's invisible hand". Of those that read the 'invisible hand' as 'Spontaneous Order', it is Friedrich von Hayek that has produced the most impactful reading, as measured by Google Scholar citation information. It should be noted that Hayek did not coin the phrase 'Spontaneous Order' - that was Michael Polyani - however it is widely accepted that it was Hayek's work that popularised the term (Whyte 2019: 161).

8.2 Hayek's Epistemological Invocation of the 'Invisible Hand'

Like Nozick and Margalit, Hayek invokes the 'invisible hand' as an epistemological statement; he uses the phrase to denote *how* he conceives of the attainment and dispersal of economic knowledge. In other words, Hayek identifies and outlines the epistemological problem of economics – how to co-ordinate widely dispersed economic knowledge – and then addresses this problem using his theory of spontaneous order; a theory he justifies and explains using Smith's 'invisible hand'. The topic of epistemology was, in fact, a primary focus of Hayek's research and Jeffrey Friedman (2013) argues that "no other major figure in any social science […] was as preoccupied by questions of knowledge as Hayek was" (Friedman, 2013: 278). The following discussion of Hayek is structured to account for his invocation of the 'invisible hand' as an epistemological statement.

Hayek seeks to bolster the historical lineage of his theory of spontaneous order by grounding it in the work of Smith, and particularly within the 'invisible hand'. In short, Hayek reads the

‘invisible hand’ as a “first approximation of this themes of ‘spontaneous order’” (Kennedy, 2009: 214). Spontaneous order “itself constitutes an information-gathering process, able to call up, and put to use, widely dispersed information that no central planning agency, let alone, any individual, could know as a whole, possess or control” (Hayek, 1992 [1988]: 14). A central consequence of this theory is that social and economic orders (including capitalism) emerge spontaneously without the requirement for central planning or coordination. In other words, out of a seemingly chaotic situation in which knowledge is dispersed and incomplete, order occurs - not through the intentional actions of individuals or through divine co-ordination – but rather, spontaneously from the blind, self-interested actions of individuals. This assumption underpins Hayek’s normative claim for minimalist state intervention in the economy.

Underpinning Hayek’s theory of spontaneous order is a particular understanding of knowledge, specifically of economic knowledge, that is required to form a rational economic order (Hayek, 1937; 1945). He argues that knowledge of the economic circumstances of the present time does not exist within one person or institution in a concentrated form but rather exists as “dispersed bits of incomplete and frequently contradictory knowledge which all the separate individuals possess” (Hayek, 1945: 519-520). However, Hayek claims that a rational, responsive and effective economic order requires a complete knowledge of the present economic situation. Thus, the economic problem of society – the problem Hayek seeks to address – is not a problem of resource allocation but rather one “of the utilization of knowledge not given to anyone in its totality” and, more specifically, the communication of this knowledge (Ibid: 520). It is this problematic that forms the focus of Hayek’s life work and ultimately culminates in his theory of spontaneous order.

There are particular elements of a modern, capitalist economic system that enable this communication of dispersed knowledge, namely the price mechanism [see Chapter Five, Section 5.2 for a discussion of the price mechanism]. Hayek (1945) explains that “in a system where the knowledge of the relevant facts is dispersed among many people, price can act to coordinate the separate actions of different people” (Hayek, 1945: 526). It is on the basis of this claim – that a capitalist market is a superior method of utilising dispersed knowledge – that Hayek makes his normative argument for an economic system characterised by minimal government intervention and increasing privatisation. It should be noted that by explaining that the price mechanism is an example of spontaneous order, Hayek connects these two concepts. However, his reading is distinct from those that read the ‘invisible hand’ as the price mechanism (such as Coase) on the

basis that, for Hayek, the 'invisible hand' is a precursor of spontaneous order and the price mechanism is but one example of such an order. In short, Hayek (1992 [1988]) argues that spontaneous order arises from the blind, self-interested actions of individuals without central planning or divine intervention, one such spontaneous order is the capitalist market economy. This argument is premised on two epistemological claims: firstly, that knowledge is dispersed, incomplete and fragmented and secondly, that the rapid communication of this knowledge is required to enable a rational and effective economic order. And it is within the work of Smith, specifically the 'invisible hand', that Hayek identifies a theoretical precursor to this theory of spontaneous order:

> *Economics has from its origins been concerned with how an extended order of human interaction comes into existence through a process of variation, winnowing and sifting far surpassing our vision or our capacity to design. Adam Smith was the first to perceive that we have stumbled upon methods of ordering human economic cooperation that exceed the limits of our knowledge and perception. His 'invisible hand' had perhaps better have been described as an invisible or unsurveyable pattern. We are led – for example by the pricing system in market exchange – to do things by circumstances of which we are largely unaware and which produce results that we do not intend.*
>
> Hayek, 1992 [1988]: 14

At a later point in the book, Hayek once again links his theory of spontaneous order back to Smith:

> *Though in Hume, and also in the words of Bernard Mandeville, we can watch the gradual emergence of the two concepts of the formations of spontaneous orders and of selective evolution […] It was Adam Smith and Adam Ferguson who first made systematic use of this approach […] In particular, the crucial phenomena determining the formation of many highly complex structures of human interaction, i.e., economic values or prices, cannot be interpreted by simple causal or 'nomothetic' theories, but require explanation in terms of the joint effects of a larger number of distinct elements than we can ever hope individually to observe or manipulate. It was only the 'marginal revolution' of the 1870s that produced a satisfactory explanation of the market processes that Adam Smith had long before described with his metaphor of the 'invisible hand', an account which, despite its still metaphorical and incomplete character, was the first scientific description of such self-ordering processes.*
>
> Hayek, 1992 [1988]: 146-148

The linking of spontaneous order, and the capitalist market order, with the 'invisible hand' serves to bolster Hayek's work in two manners: firstly, invoking Smith as a historical predecessor serves to provide a particular gravitas to Hayek's theory. Secondly, Hayek's normative claim of non-intervention in the economy is also bolstered. Through the portrayal of the market order as invisible, and therefore impenetrable and incomprehensible, Hayek preserves the market "from any conscious, wilful political intervention" (Whyte, 2019: 160) and portrays such actions as "redistributing wealth, or establishing price controls" as "dangerous folly" (Ibid: 158).

8.3 Concluding Thoughts

Hayek invokes Smith's 'invisible hand' as a precursor to his theory of spontaneous order, an epistemological theory explaining the emergence of social and economic patterns through the gathering together of dispersed knowledge. As such, Hayek's reading of the 'invisible hand' is epistemological in nature and thus provides a very clear example of how an author's epistemological commitments impact upon their reading of Smith.

Chapter 9. The 'Contemporary Revisionist' Reading

9.1 Introduction

As first discussed in my Introduction, I have identified a type of reading of the 'invisible hand' referred to here as the 'Contemporary Revisionist' type. These types of reading first occurred in the 1950s and steadily grew more common until the end of the analysis period in 2017. 'Contemporary Revisionist' readings of the 'invisible hand' seek to analyse dominant interpretations of the phrase, discuss why such interpretations have arisen and, in some cases, offer alternative understandings of the term.

The 'Contemporary Revisionist' reading is an ideal-type reading, it has been produced through the accentuation of and grouping together of particular characteristics of its sub-types [see Methods, Chapter Two, Section 2.3]. In this sense, it has been produced using the same method as the other six ideal-type readings within this thesis. It does, however, differ from them in two ways: firstly, and most significantly, the other ideal-types – such as the Capitalist or 'Transcendental' reading- have been grouped together on the basis of their understanding of the 'invisible hand', their substantive reading. That is to say, the 'Transcendental' ideal-type includes those individual readings that understand the 'invisible hand' to be God, 'Natural Forces', 'Natural Liberty' or as the 'Wisdom of Nature' – they are grouped together on the basis that they all understand the 'invisible hand' to be an other-worldly, directing mechanism that exists outside of the realm and control of human beings. The readings included within the 'Contemporary Revisionist' ideal-type have, in contrast, been grouped together because of their shared approach to reading the 'invisible hand'. Whilst all contemporary revisionist authors seek to analyse dominant interpretations of the 'invisible hand', only in some cases do they offer their own alternative understandings. Thus, within this ideal-type there is an author who understands the 'invisible hand' to be a 'joke' (Rothschild, 2001) and another that understands the 'invisible hand' to be the self-regulating market (Werhane, 2000) and others that offer no understanding at all (Liu, 2020). Accordingly, the 'Contemporary Revisionist' readings have been grouped on the basis of a shared characteristic, their performance of an exegesis of the 'invisible hand' and the dominant interpretations of it, rather than a shared substantive reading. This difference in grouping has further implications for my analysis. In previous chapters, I have demonstrated the impact an author's epistemological framework has upon their substantive reading of 'the invisible hand. In this chapter, my focus will be on demonstrating that the contemporary revisionists'

approach to reading the 'invisible hand' is underpinned by their 'Epistemology of Reading' and thus to fully understand it, we must extend our analysis into the epistemological realm. Such a task necessitates a brief engagement with their substantive readings of the phrase, however, as the shared characteristic of the ideal-type is the approach to reading, it is upon this that I focus.

A second way in which the 'Contemporary Revisionist' reading differs from the others is on the basis of its additional functions within this thesis. The 'Transcendental' reading, as an example, performs the simple role of being the object of analysis: it has been identified as a type of reading and in Chapter Three its associated 'Epistemologies of Reading' have been divulged. In contrast, the 'Contemporary Revisionist' reading of the 'invisible hand' performs both methodological and contextualising functions in addition to its role as an object of analysis. Methodologically speaking, the contemporary revisionist literature has played an essential role within this thesis. When analysing from 1899 onwards, a JSTOR advanced search, followed by a *NVivo* analysis was the method adopted to identify different types of reading of the 'invisible hand'. However, readings published prior to 1899 were identified through a comprehensive analysis, and cross-reference, of the contemporary revisionist literature. As is detailed in the Methods section [Chapter Two, Section 2.3.1] I utilised the research conducted on the 'invisible hand' by the contemporary revisionist authors to provide an insight into the readings of the phrase that existed prior to 1899. Each type of reading identified by the contemporary revisionist literature was later verified by my own research, however, this body of work performed an important methodological role in helping me to identify these pre-1899 readings. It was, for example, through an engagement with the work of contemporary revisionist author Emma Rothschild (2001) that I first became aware of the English Historical School's reading of the 'invisible hand'. Contextually speaking, the contemporary revisionist literature is also distinct because it is the body of literature in which this thesis sits and, additionally, the body of literature that presents the research problematic to which this thesis responds: why is the 'invisible hand' interpreted and invoked in such vastly different and often contradictory ways? Thus, I have been drawing upon the contemporary revisionist literature throughout the thesis in order to explain and embed my own approach to the study of Smith.

The goal of the following chapter is to examine the 'Contemporary Revisionist' reading and its associated 'Epistemologies of Reading'. To do so I examine the work of two representative authors – Gavin Kennedy and William Grampp. They have been selected on the basis of the high impact of their readings of the 'invisible hand'. While Kennedy and Grampp share the same

approach to reading, they differ in their substantive understanding of the 'invisible hand': Kennedy reads it as a mere literary metaphor whereas Grampp understands it to be self-interest under a particular set of conditions. Beginning with Kennedy, and followed by Grampp, I begin by briefly outlining their substantive reading of the 'invisible hand'. In a second step I discuss their approach to reading the 'invisible hand' in conjunction with the epistemological assumptions that underpin said approach. To do so, I perform an intertextual, symptomatic reading of the authors' work. Structuring my analysis in such a way emphasises the links between the approach to reading adopted by the contemporary revisionist authors and their 'Epistemologies of Reading'. Whilst I make brief comments about their substantive reading, my focus remains their approach to reading the 'invisible hand'.

9.2 Gavin Kennedy

Professor Gavin Kennedy (1940- 2019) was a lecturer in the History of Economic Thought at Heriot-Watt University. He is widely known for his work on Adam Smith including his published books, *Adam Smith's Lost Legacy* (2005), *An Authentic Account of Adam Smith* (2017) and his blog – also named 'Adam Smith's Lost Legacy'- on which he regularly posted until a year prior to his death. In each of these publications, as well as a number of journal articles, Kennedy consistently demonstrates his reading of the 'invisible hand' as a literary metaphor. Kennedy argues that the 'invisible hand' is used as a metaphor for the actions of "a specific merchant who preferred to invest his capital domestically" which has the unintended consequences of "an end which was no part of his intention" (Kennedy, 2017: 92). The phrase is quite simply:

> *a metaphor to describe an 'interesting' manner, the consequences of the merchant's invisible (to others') motivations, which are invisible because we cannot see into the mind of others. Smith's merchant intentionally directs his actions in pursuit of his hidden motivations. Whilst we cannot see what is invisible to us, we can see the consequences of the merchant's actions in respect to the wider domestic economy.*
>
> Kennedy, 2017: 94

In short, Kennedy claims the 'invisible hand' is a metaphor that describes how a merchant's unknown, hidden motivations cause an unintentional, visible consequence in the wider economy. The 'invisible hand', however, is not an additional element in the merchant's motivation but rather is a *metaphor for* the consequences of this merchant's unseen motivation. Removing the

metaphor from his writing would not in any way undermine Smith's explanation of the way in which hidden personal motivations might lead to wider, unintended consequences.

Kennedy employs the work of Warren J Samuels, as outlined in *Erasing the Invisible Hand* (2011), to further elaborate his opinion on the role and use of 'the invisible hand: "I agree with his [Samuels'] final conclusion, that 'there is no such thing as an Invisible Hand', that it 'adds nothing to our knowledge' and that 'there is no contribution to knowledge from anything that warrants being called an Invisible Hand'". Whilst Kennedy believes the 'invisible hand' of both *The Theory of Moral Sentiments* and *The Wealth of Nations* to be illuminating metaphors he does not believe they add to our knowledge; they may serve to represent or clarify ideas already presented by Smith, but do not provide any 'new' information not already present within the texts.

9.3 Kennedy's Approach to Reading & Epistemological Commitments

Kennedy has been selected as a representative author of the 'Contemporary Revisionist' reading on the basis of his approach to reading the 'invisible hand'. The following section has two intentions: to outline Kennedy's approach to reading and to demonstrate how this approach is underpinned and conditioned by particular epistemological commitments held by Kennedy, his 'Epistemology of Reading'. The discussion is structured around four aspects of Kennedy's approach: his revisionism, historical-embeddedness, intertextuality and close reading.

9.3.1 Revisionism

One of the most striking features of Kennedy's approach to reading the 'invisible hand' is his revisionism, his critical examination of previous, dominant readings and his deliberate distancing from such readings. To achieve this, Kennedy carefully differentiates between his reading of the 'invisible hand' and that of "most modern economists" (Kennedy, 2017: 83). He explains that these so-called 'modern economists', such as Paul Samuelson, Kenneth Arrow and Frank H. Hahn, understand the 'invisible hand' to be "some sort of mysterious entity independently guiding the economy". His reading, in contrast, understands the phrase to be a metaphor for an economic consequence and thus, a metaphor for an aspect of the economic system (Ibid: 96). For the modern economists, the 'invisible hand' is an imaginary entity and therefore transcends the boundary of what a metaphor is: for some it is 'supply and demand', the 'price system' or simply, 'market equilibrium'. According to Kennedy, however, it is a "plain secular" statement and there

is no need to add "a mystical core" to the explanation: it is, exclaims Kennedy, "simple and surely clear enough?" (Ibid: 93).

This revisionist approach to reading is underpinned by an epistemological aversion to the research of his fellow "modern economists" (Ibid: 83). Kennedy explains that the models and equations that characterise the discipline of modern economics cannot account for the "the untidy realities of actual, messy, diverse human behaviours" (Ibid: 3). This type of economic research, dominated by abstract principles and models, underpins a particular understanding of the 'invisible hand': as "Invisible Hand of the market, or [...] the 'Invisible Hand' of 'supply and demand', of 'economic equilibrium', of the 'first and second Welfare theorems', 'of capitalism' and of a plethora of others" (Ibid: 96). These readings have "elevated the metaphor into 'principles', 'theories' and 'paradigms' of markets" and they no longer "correspond to anything written by Smith and neither do they explain anything" (Ibid: 97). Here, Kennedy indirectly demonstrates that how one conceives of the discipline of economics (for example, as a mathematical, historical or moral endeavour) conditions *how* one understands the 'invisible hand'. Thus, his comments mirror my findings in Chapter Five, that an epistemological commitment to mathematisation results in a reading of the 'invisible hand' that is equally abstract and ahistorical. It is Kennedy's epistemological aversion to abstract, ahistorical and generalising principles that underpin his revisionist approach to reading Smith.

9.3.2 Historically-Conscious Approach

Kennedy's epistemological aversion to orthodox economic research is the consequence of his epistemological commitment to historically-conscious economic knowledge and relatedly, his own historically-inclined approach to reading Smith. Kennedy's reading of Smith is 'historically-conscious' in three different ways: firstly, Smith's writings are understood as a comment upon the economic relations of the time, not the modern day; secondly, Kennedy demonstrates an understanding of *who* was reading *WON* after its publication in 1776 and, consequently, he is able to reflect upon why Smith might have been required to include a clarifying or illuminating metaphor within his writings. Finally, Kennedy demonstrates an understanding of Smith's own historical context and predecessors. He explicitly acknowledges that the phrase the 'invisible hand' was *not* coined by Smith and had been used as a literary metaphor by Smith's predecessors including Shakespeare, Voltaire and Walpole. Knowing this, claims Kennedy, helps to explain why Smith's use of the 'invisible hand' was unremarked upon by Smith's contemporaries – it was, quite simply – unremarkable. Furthermore, Kennedy explains that "scholars report many

early literary references to 'invisible hands' […] showing substantial prior use of the metaphor before Smith and with whose work he was familiar (he had many of their books in his library)" (Kennedy, 2009: 242). Thus, it may be concluded that the 'invisible hand' being employed as a literary metaphor was a use with which Smith was familiar.

Underpinning Kennedy's historical approach to studying Smith is an epistemological commitment to economic research that is 'historically-conscious'. Kennedy does not explicitly discuss this aspect of his epistemological framework and thus his work must be read symptomatically to "divulge the undivulged" (Althusser, 1970: 28). The introduction to his published book, *An Authentic Account of Adam Smith* (2017) is of particular use for this task as here Kennedy reflects upon his own approach to reading Smith. Kennedy aims, as his title suggests, to provide an authentic account of Adam Smith and his thought (Kennedy, 2017: 1). To achieve such an account, he "draws on the historical evidence from the times when [Smith] was alive and discounts with counter-evidence many of the assertions, inventions and folk beliefs that have circulated since the mid-twentieth century, and which has also produced several fantasy 'Adam Smiths'" (Ibid: 2). Kennedy places significant emphasis upon his engagement with "historical evidence", "historical data" and "corrective evidence" and discusses the importance of understanding Smith in light of *his* world, "that was so different to ours in so many ways" (Ibid.). He argues that a comprehensive, historical engagement with Smith's work is the only way in which we might produce an 'Authentic Account' and challenge the 'fantasy' Smith created by modern economists. Thus, as a result of this epistemological commitment, Kennedy couches his reading of the 'invisible hand' within an understanding of the historical context within which Smith was writing: the political and economic debates, the laws and policies that he was subject to.

9.3.3 Intertextuality

Thus far I have demonstrated that Kennedy's approach to reading is both revisionist and historically-conscious. The following section focuses upon his intertextuality. Kennedy establishes his argument that the 'invisible hand' is simply a literary metaphor by providing a comprehensive overview of the entirety of Smith's work and thus offering a summary of the wider context within which, Kennedy argues, the phrase should be understood. He begins by examining Smith's understanding of the role of metaphors, as outlined in his *Lectures on Rhetoric* delivered in 1763; Kennedy concludes that Smith understood metaphors to be representative of, as opposed to substantively the same as, its object. To quote Smith, a metaphor

is a figure of speech in which "there must be an allusion betwixt one object and an other [sic]", furthermore, it can achieve "beauty" when it "gives due strength of expression to the object to be described and at the same time does this in a more striking and interesting manner" (Smith, *Lectures on Rhetoric*: Lecture 6). Thus, Kennedy understands the 'invisible hand' in light of Smith's other works, this is an approach to reading that he advocates for those in pursuit of an understanding of Smith. The basis for this advocation is Kennedy's belief that economic knowledge in the field of the history of economic thought should be the result of intertextual research. This epistemological assumption is made apparent in Kennedy's comments about fellow Smith scholar, Warren J Samuels. Speaking of Samuels, Kennedy is left "perplexed" by his decision to ignore, or his ignorance of, Smith's writings on metaphors (Kennedy, 2017: 101). Whilst Kennedy expressed a deep admiration for Samuel's work, this absence was "inexplicable" given that Smith had, in his *Lectures on Rhetoric,* directly and explicitly addressed the appropriate role of metaphors (Ibid.). Kennedy's emphatic observation of this omission is a clear, if indirect, indication of his belief that a comprehensive reading of Smith relies upon a thorough engagement with his entire oeuvre. Whilst Kennedy does not explicitly label his approach as 'intertextual', he does, throughout his works, imply this epistemological preference when discussing the requirement to understand each element of Smith's work within the context of his entire oeuvre.

9.3.4 Close Reading

Somewhat related to Kennedy's aversion to the 'modern economist's' reading of Smith, his commitment to a historically-conscious interpretation and his intertextuality is his approach to reading that is, unironically, a 'close reading'. Such a close reading has two elements: it involves in-depth analysis and discussion of what Smith said in relation to the 'invisible hand' and a comprehensive, 'wide' reading – one that accounts for each of Smith's works. Both elements of Kennedy's close reading approach are made clear in his discussion of Smith's three uses of the 'invisible hand'. Importantly, Kennedy (2017) discusses all three instances, not to demonstrate their similarities but rather to illustrate that there are:

> *three distinctly different uses and meanings […] in three distinctly different socio-economic contexts in human history […] instead of the same single metaphor for all three historical periods, we have three different meanings suited to their distinctly different contexts, and in which one usage [is] entirely non-metaphorical*
>
> Kennedy, 2017: 91

Unlike the 'invisible hand' of the *WON* and *TMS* which are both deemed to be literary metaphors by Kennedy, the phrase as it is used in *The History of Astronomy* denotes a real invisible hand and therefore is non-metaphorical and, in fact, a "proper noun" (Ibid: 102). To refresh, Smith was discussing Pagan belief systems and wrote:

> *Fire burns, and water refreshes; heavy bodies descend, and lighter substances fly upwards, by the necessity of their own nature; nor was the Invisible Hand of Jupiter ever apprehended to be employed in those matters.*
>
> Smith, HoA, III, II

'The Invisible Hand of Jupiter' is not employed to explain these natural, normal matters – rather, Smith goes on to explain, it is employed to explain the unnatural or "irregular" occurrences such as the occurrence of lightning. In this instance, according to Kennedy, Smith does not employ the 'invisible hand' in a metaphorical or representative capacity but rather as a factual observation of the practices or beliefs of paganism. In other words, the pagans believed that lightning was a consequence of the Invisible Hand of Jupiter – a literal invisible hand – and Smith is quite simply recounting this to the reader. The other two instances of the 'invisible hand' within *TMS* and *WON* are distinct from the *History of Astronomy* instance on the basis that they are employed in a representative, metaphorical capacity.

In *TMS*, Kennedy explains, the 'invisible hand' performed the role of a supporting metaphor for Smith's explanation of how self-interested motivations may lead to unintended consequences (Ibid: 245). Smith speaks of the Landlord's personal motivations leading to him to share his produce amongst his workers. According to Kennedy, however, it is the logic of Smith's argument that is of note; Smith explains the details of his example *before* employing the 'invisible hand' and thus the phrase is *not* the object of the example but rather a metaphor, included to aid understanding by clarifying the example in simple terms. The 'invisible hand' performs the role of a metaphor as Smith understood it: "it gives due strength of expression to the object to be described and at the same time does this in a more striking and interesting manner" (Smith, *Lectures on Rhetoric*: Lecture 6).

Turning his attention to *WON*, identified as the "main published reference to 'an Invisible Hand'" (Ibid: 91), Kennedy outlines the context within which the phrase is mentioned: firstly, he briefly outlines Smith's "scathing criticism" of the Mercantile economy, and its associated monopoly practices of the time as expounded in Book IV of the *WON* (Ibid: 251). Secondly, he explains

Smith's example of domestic-trading: in short, that the self-interested actions of merchants who choose to trade domestically in order to avoid risk and keep a 'closer eye' on their goods produce the unintended benefit of increasing the annual revenue of his domestic society. It is only *after* this explanation that Smith introduces the 'invisible hand' and thus it achieves the status of 'metaphor' as "it presents the 'complex' mechanics of the arithmetical connection between individual actions and aggregate outcomes, driven by caution and insecurity, into an understandable and 'beautiful' allusion for those of his readers not alert to the validity of his initial explanation" (Kennedy, 2009: 253-254).

Such a close reading approach is, unsurprisingly, underpinned by Kennedy's epistemological preference for economic knowledge arising from research that is both close and comprehensive. We have seen evidence of this epistemological preference in the section thus far: in Kennedy's dismay at Warren J Samuels' failure to engage with the *Lectures on Rhetoric* and his call for readings to be based upon an engagement with Smith's own historical context. However, Kennedy also outlines this epistemological commitment more explicitly. To premise his own reading of the 'invisible hand', he launches a critique against the dominant, modern reading in which the roles "given to it [the invisible hand] since the 1950s rely solely on assertion and interpolations by modern economists, which are not supported by Smith's texts" (Kennedy, 2009: 240). Furthermore, he states that modern readings of the phrase that discuss it as a 'principle', 'theory' or 'paradigm' "do not correspond to anything written by Smith" (Ibid.). The basis of Kennedy's critique of these thinkers is their failure to perform an adequate close reading of Smith, the implication is, therefore, his epistemological preference for such a reading. We can once again see evidence of this preference in Kennedy's critique of Paul Samuelson's work. Samuelson, according to Kennedy, misreads Smith and this has had significant and far-reaching consequences for the discipline of economics (Ibid: 250). Such a misreading would have been avoided had "Samuelson read *Moral Sentiments* and *Wealth of Nations* for himself through its many editions and translations […], instead of recalling what he was taught at Chicago by his tutors" (Ibid: 251). Once again, it is demonstrated that for Kennedy an appropriate and valid approach to reading must be both close and comprehensive.

9.4 William Grampp

William Grampp (1914-2019) was an American economist with a strong interest in the history of economic thought. The following section shall begin by outlining Grampp's substantive reading

of the ‘invisible hand’ before outlining, in conjunction, his approach to reading and associated ‘Epistemology of Reading’.

Grampp offers a number of explicit readings of the ‘invisible hand’ throughout his publications, these differ in wording but not in substance. The ‘invisible hand’ is *not* “a power that makes the good of one the good of all”, rather it is “simply the inducement a merchant has to keep his capital at home, thereby increasing the domestic capital stock and enhancing military power, both of which are in the public interest and neither of which he intended” (Grampp, 2000: 441). It is, claims Grampp, specifically the merchant’s incentive to trade domestically. The ‘public interest’ to which Grampp is referring is the provision of defence for the nation, this is enabled by an increase in wealth from domestic trade. This provision of defence is both unintended and benefits everyone in the nation. Grampp further clarifies his reading:

> *The invisible hand, then, is not an autonomous force. It is self-interest operating in particular circumstances. The owner of capital acts in the public interest if acting in his private interest is profitable and happens to provide a public benefit. He does not act in the public interest if acting in his own interest would be unprofitable.*
>
> Grampp, 2000:460

9.5 Grampp’s Approach to Reading & Epistemological Commitments

Grampp's approach to reading the ‘invisible hand’ is underpinned and conditioned by two key aspects of his epistemological framework: his revisionism, including both his critique of others in addition to his own re-reading of the phrase and his specific, close reading of Smith.

9.5.1 Revisionism

Like Kennedy, Grampp adopts a revisionist approach to reading Smith’s ‘invisible hand’. His revisionist approach has two aspects: a critique of dominant interpretations and a re-reading of the phrase. These revisionist aspects can be shown to be underpinned by Grampp’s epistemological commitment to knowledge that privileges the role of individuals in the creation of economic history over generalisable, abstract forces such as “God’s will” or ‘market forces’ (Carpenter & Moss, 2001: 100-101, 110).

Prior to offering his own reading of the ‘invisible hand’, Grampp discusses dominant interpretations of the phrase. He does this most concisely in his aptly named paper ‘What Did

Smith Mean by the Invisible Hand?'. Grampp begins by discussing the role of the 'invisible hand' within the discipline of economics:

> *If classical economics were ever given a musical setting […] an oratorio perhaps […] the title surely would be 'Three First Words' and they would be "an invisible hand." The composition would open with plainsong, which is in keeping with the apparent simplicity of the words, and would end in dissonance, and that is in keeping with the diverse and contradictory ways the words have been interpreted.*
>
> Grampp, 2000: 441

The eminence of the phrase amongst modern economists, claims Grampp, contradicts the fact it does not have "a principal place in *The Wealth of Nations* or even a salient place" (Grampp, 2000: 442). Furthermore, this eminence contradicts the fact that the economic arguments to which the phrase is linked do not rest upon it, do not require it and thus "do not stand or fall with it" (Ibid.). Grampp works through nine dominant interpretations of the 'invisible hand', describing each of them before demonstrating that they do not correspond with Smith's work. For example, he discusses those that read the 'invisible hand' as 'competition' and draws upon Smith's writings in *The Wealth of Nations* to assert that "Smith did not in fact say the invisible hand is competition. Neither did he imply it" (Ibid: 447). In an earlier publication, Grampp alludes to the reasons why a modern scholar might invoke the 'invisible hand': "Smith earned his reputation as a free trader not by what he said, *but by the wishful thinking of later generations which wanted justification for their behaviour"* (Grampp, 1948: 716 [Emphasis Added]). Their engagement with the 'invisible hand' is not an attempt to understand it in relation to its author, Smith, or within its historical context and thus in its own right. Rather, the phrase has been disconnected from its original context, abstracted into a general principle and thus is, instead, understood only in relation to the work of these modern scholars.

After demonstrating the deficiencies of the dominant interpretations of the 'invisible hand', Grampp sets out the case for a re-reading of the phrase. Grampp argues that, despite not being given a principal place by Smith, the phrase should be re-read on two accounts: firstly, "if what he [Smith] meant by the invisible hand is misunderstood, then what it is mistakenly said to mean may be understood also" (Ibid: 442). For example, when the 'invisible hand' is read as the price mechanism, the price mechanism is wrongly attributed the characteristics of being simple and systematic (Ibid.). Additionally, to read the 'invisible hand' as the price mechanism is to ignore

reservations that Smith had about such a way of ordering the economy. To re-read the 'invisible hand', for Grampp, is to reconnect the phrase with Smith, what he meant by it.

Grampp's revisionist approach to reading the 'invisible hand', his critique of dominant interpretations and call for re-reading the phrase, is underpinned by an epistemological assumption that knowledge of the history of economics must privilege the role of individual economists. Grampp argues that the dominant interpretations fail to privilege the role of Smith, they do not read him or the 'invisible hand' in their own right but rather in such a way as to add to their pre-existing ideas. Relatedly, Grampp's call for a re-reading is underpinned by the desire to understand the role of Smith in the shaping of the history of economics, as an entity in himself.

To broaden my understanding of Grampp's revisionist approach, by understanding the epistemological assumptions underpinning it, I perform an intertextual, symptomatic reading of his explicitly methodological discussions contained within his publications *The Manchester School of Economics* and *Economic Liberalism.* Here, Grampp can be seen to adopt a method of historical sociology, or as Carpenter & Moss (2001:102) surmise, a method underpinned by the assumption "that human beings make history". In both books Grampp set out to establish the role played by, and influence enjoyed by, economists in the creation of economic policy. The focus of his study is underpinned by a belief that the existing historiography of economic thought is deficient because of an underemphasis on the role played by individuals in the shaping of history, and an overemphasis placed on the roles of 'class interest', 'business interests', 'God's will' or 'industrial power' (Carpenter & Moss, 2001: 100-101, 110). Furthermore, Grampp was wary of economic models that understood the course of economic history to be the result of "opportunistic wealth maximization" (Ibid: 100). Thus, it can be seen that Grampp believes an adequate understanding of the history of economic thought requires engagement with real people and real economic events as opposed to the discussion of generalised, abstract principles, ideas or movements.

Furthermore, in both books, Grampp aims to provide a 're-reading' of particular schools of thought. In *The Manchester School of Economics,* Grampp undertakes "a study of the Manchester School […] what the school was, what it did and why" (Grampp, 1960: vii). He explicitly states that whilst his "respect for historians is great" this study is undertaken from his position as an economist and therefore is centred on re-interpreting pre-existing material and information rather

than uncovering new evidence in relation to the Manchester school (Ibid: viii). In other words, it attempts to dispel "the misconception" surrounding the Manchester School. Grampp achieves this through a detailed, specific and comprehensive study of the individuals that made up this school; their relations to one another; their relations to policy makers and, their actions in campaigning for the repeal of the Corn Laws. Similarly in *Economic Liberalism*, Grampp's intention was to "set the historical record straight" on the relationship between the British classical school and laissez-faire, centred on his argument that the classical school had an understanding of liberalism that was fundamentally different to the modern conception of laissez-faire. Grampp's conclusion sits in direct contrast with the vast majority of modern commentary on laissez faire that identifies its roots in the likes of Smith, Hume and Mill. Once again, in this study Grampp privileges researching individual economists and their role in the shaping of economic history. Grampp's desire to 'set the record straight' is mirrored in his writings on Smith, specifically 'What Did Smith Mean By The Invisible Hand?' (2000) in which he outlines nine common interpretations of 'the phrase', demonstrating each to be deficient before outlining his own reading.

Grampp has spent much of his academic career focused on revisionism, dispelling myths and misconceptions about scholars and schools of thought. These myths and misconceptions have, according to Grampp, been due to a failure on the part of his predecessors to engage appropriately with the works of classical economists. However, he does not only critique the deficiencies in these interpretations but also highlights an appropriate way to read historical predecessors, namely through a close reading.

9.5.2 A Close Reading

In undertaking his 're-reading' of the 'invisible hand', Grampp adopts a particular approach, a specific, close reading of Smith's works. As I have discussed, Grampp reads the 'invisible hand' as "simply the inducement a merchant has to keep his capital at home, thereby increasing the domestic capital stock and enhancing military power, both of which are in the public interest and neither of which he intended" (Grampp, 2000: 441). To reach this understanding the phrase must be understood within its specific context in *The Wealth of Nations*: specifically, what Smith says about the wealth of the nation, national defence and the way in which self-interested actions impact upon these factors. Grampp explains that for Smith, defence should be a goal of economic policy; wealth is required by the nation to provide an adequate defence and domestic wealth is more secure than wealth held abroad; "acquisitive" behaviour of individuals, when competitive, will contribute to defence and finally "acquisitive" individuals do not seek to benefit wider

society or know that they have (Ibid: 451). Thus, on the basis of this understanding of Smith, Grampp concludes "the invisible hand […] is self-interest operating in this circumstance, the circumstance in which a private transaction yields a positive externality that augments a public good" (Ibid.). The public good to which Grampp is referring is the provision of defence, this is enabled by the increase in the wealth of the nation labelled here by Grampp as a 'positive externality'. This interpretation is firmly related to the specifics of what Smith said in *The Wealth of Nations*, it relates to the actions of merchants or the 'owner of capital' as opposed to simply 'individuals' and it leads specifically to the provision of defence, not just any public good. This is Grampp's explicit approach to interpretation as demonstrated by his statement: "What I believe the invisible hand means in the *Wealth of Nations* is taken from what Smith said there" (Ibid: 46). Thus, Grampp's approach to reading, and his substantive reading, contrast with those discussed in other chapters. For example, both the 'Market Mechanism' reading and the 'Defence of Selfishness' reading interpret the 'invisible hand' to be a general principle, something ahistorical that is relevant to a situation in which the self-interested actions of any or all individuals produce any form of public good. Grampp, on the other hand, sticks staunchly to Smith's own words, refusing to abstract or generalise from the specifics of his original statements.

Grampp's close reading is underpinned by a clear and explicit epistemological commitment to uncovering "what the author actually said" (Ibid: 443):

> *I should like to propose a way to get things straight about Smith or anyone else. It is to begin by distinguishing between (a) what the author actually said, (b) what is implied by what he said, (c) what can reasonably be inferred from it, (d) what we may conjecture he meant, (e) what he conceivably could have meant, and (f) what it would be convenient to believe he meant. The next step is to stay as close as possible to points a and b, to know that about point c the operative word is 'reasonably,' and to move as far as point d only when all else fails or never at all. Distinction e and f are left to those who […] make the study of the history of economic ideas a work of the imagination. These are steps along the straight and narrow, and they lead to the Grand Rule, grand in purpose, grand in simplicity: Get it right or leave it out.*
>
> Grampp, 2000:443

This quote clearly demonstrates an epistemological commitment to a close reading of the author in question. There is, implicit within this statement, the belief that it is in fact possible to 'get it right' and that the way to this is by determining "what the author actually said", this is what

Grampp attempts to do with regard to the 'invisible hand'. However, he is careful to admit that despite his efforts the paper may not satisfy this "counsel of perfection" (Ibid.).

9.6 Concluding Thoughts

The 'Contemporary Revisionist' reading has been formed on the basis of a shared approach to reading Smith: characterised by a critique of dominant interpretations of the 'invisible hand' followed by a 're-reading' of the phrase. This chapter has engaged with representative authors Kennedy and Grampp in order to demonstrate that their particular approach to reading has been underpinned by a number of epistemological commitments. Both authors share an epistemological commitment to the process of 'close reading', a belief that valid knowledge of an author and their works arises from a specific and thorough engagement with said works. Furthermore, they share an epistemological aversion to readings that abstract, generalise or can be considered ahistorical and this underpins their shared commitment to the revisionist approach, particularly their critique of dominant, modern interpretations of the 'invisible hand'. In addition, Kennedy places emphasis on the need for readings to be both historically-conscious and intertextual and, as a result, adheres to such a form of reading. Grampp awards privilege to the role of individual economists when tracing the history of economic ideas and thus his reading of Smith draws only on Smith's own words, as opposed to his political, historical and social context. This chapter has demonstrated that by extending analysis to the epistemological level we can identify that approaches to reading are not selected arbitrarily by authors but rather can be shown to be a consequence of their understanding of knowledge, what constitutes valid knowledge and how we might increase it.

Chapter 10: A Skinnerian Evaluation

10.1 Introduction

Readings of the 'invisible hand' have been shown to be numerous, divergent, influential, and ultimately, shaped by the 'Epistemologies of Reading' of their authors. In this final analysis chapter, I aim to build upon these findings by offering a Skinnerian-inspired evaluation of the seven types of reading and their associated epistemological commitments. In doing so, I am able to expand upon my initial research findings by determining what epistemological commitments are favourable for thorough and comprehensive readings. This chapter proceeds in four steps. Firstly, I provide a very brief overview of my key research findings from each of my analysis chapters. I present these findings in the form of a table to make them both succinct and accessible. Secondly, I re-introduce the work of Quentin Skinner and the seven Skinnerian standards of interpretation, examined in full in my 'Approach to Research' Chapter. In a third step, I re-visit each of the seven types of reading of the 'invisible hand' and their associated epistemological frameworks and I perform a 'Skinnerian' analysis of them. Doing so enables me to comment on the relative comprehensiveness of each reading. I conclude the chapter by briefly considering the implications of my findings, specifically my observation that the most popular readings, and those underpinned by epistemological commitments privileged by orthodox economics, can be shown to be non-comprehensive.

10.2 My Research Findings

Reading Type	Representative Authors	Epistemologies of Reading
'Transcendental'	Jacob Viner Alec Macfie	· Historicism · Geographically-situated research · A holistic approach to research · Scholarly objectivity · Accurate, descriptive reporting · Intertextuality
'English Historical School'	Cliffe Leslie John Kells Ingram	· Historicism · A holistic approach to research
'Invisible-Hand Explanation'	Robert Nozick Edna Ullman Margalit	· Critique of methodological individualism · Form of explanation privileged over accuracy · Naturalisation of invisible-hand processes
'Spontaneous Order'	Friedrich Von Hayek	· Knowledge is dispersed and fragmented · Spontaneous Order is a knowledge-gathering process
'Market Mechanism'	Paul Samuelson	· Conceptual unity of economics · Mathematisation
	Ronald Coase	· Economic theory to reflect reality · Economic knowledge validated by explanatory capacity · Theoretical assumptions to be stated and realistic
'Defence of Selfishness'	Milton Friedman	· Economic knowledge as value-free · Knowledge validated by predictive capacity · Assumptions underpinning economic theories to be unrealistic
'Contemporary Revisionist'	Gavin Kennedy William Grampp	· Revisionism · Close reading · Intertextuality · Historicism

Table 1: 'My Research Findings'

I have demonstrated the existence of 'Epistemologies of Reading': the process of reading for numerous different authors – each writing in different time periods and institutional settings, with different levels of political impact and self-reflexivity – is impacted by their epistemological commitments. This research finding underpins my normative claim that epistemological scrutiny ought to be adopted into academic analysis. Such epistemological scrutiny would entail action for both those that read historical predecessors and those that research such readings. Firstly, as an author engaging with a historical predecessor, in the form of a reading or invocation, one should ideally be self-reflexive with regard to one's epistemological commitments, what they are and how they might be impacting upon the reading process. Secondly, as a researcher who is examining certain readings of historical figures or invocations of particular ideas or theories, one should examine such acts on an epistemological level. Understanding particular readings and invocations within the context of a reader's epistemological framework enables the researcher to develop a more comprehensive understanding of said reading. Such a comprehensive understanding would also allow one to undertake certain acts of research – e.g., critiquing or questioning the historical lineage of particular ideas; undermining the dominance of certain orthodox ideas or theories; recovering a heterogeneous disciplinary history - in an equally thorough and comprehensive manner.

10.3 Skinnerian Analysis

The following section builds upon my initial research findings. Thus far in the thesis I have deliberately minimised evaluating types of reading or the epistemological assumptions underpinning them. This has been a deliberate decision as I have sought to produce a descriptive report of the readings. In this process of 'reporting' I have, to the best of my ability, practiced self-reflexivity, limiting the impact of my own prejudices and preferences on this research step. It is now, in this concluding chapter, that I allow myself to move from 'reporting' to 'evaluating' – to analyse, assess and examine these types of reading and their epistemological bases according to the standards of interpretation as established through an engagement with Skinner. In doing so I hope to determine which epistemological commitments are conducive to comprehensive and thorough readings.

Prior to embarking on this process of evaluation I must make the case for such a procedure. The justification arises from recent discussions in the international relations literature about theoretical proliferation and relativisation. In their introduction to European Journal of

International Relations' Special Issue *The End of IR?* (2013), authors Dunne, Lene and Wight question the appropriate reaction to theoretical pluralism within the discipline of IR. More specifically, Dunne, Lene and Wight (2013) introduce the concept of 'disengaged pluralism' that is employed here in order to bolster the normative claim of this chapter: that it is both intellectually and practically-politically important to evaluate the multitude of readings of Smith's 'invisible hand'. Dunne et al. (2013: 405-406) begin by outlining the "coexistence and competition between ever greater number of theories" within IR, which has ultimately resulted in a 'theoretical peace' that is characterised by both less inter-theoretic debate across 'isms' and the dominance of 'theory testing' over 'theory development'. One consequence of this theoretical proliferation, according to the authors, is the development of a 'disengaged pluralism':

> *No claim or viewpoint would seem to be invalid and theorists are free to pursue their own agenda with little or no contact with alternative views […] there is no attempt to specify the relationships between theories, or to examine one's own theoretical position in the light of alternative views […] each theoretical perspective [is] legitimating its claims solely on its own terms and with little reason to engage in conversations with alternative approaches.*
>
> Dunne et al, 2013: 416

Writing six years later, Wight (2019: 68) returns to the topic of disengaged pluralism: "Pluralism for the sake of pluralism seems to lead to an incapacitating relativism". To challenge this form of pluralism one might adopt an 'integrative pluralism' that is characterised by a summation of various and diverse theoretical viewpoints which does, however, reject or transform theories that do not meet the criteria of "providing more comprehensive and multi-dimensional accounts of complex phenomena" (Dunne et al, 2013:19). Such an integrative pluralism would avoid the 'incapacitating relativism' associated with disengaged pluralism. The concept of 'disengaged pluralism' is employed by Dunne et al. (2013) to examine the problems arising from theoretical proliferation in IR, namely relativism. It is in this vein that I adopt the concept, to provide a theoretical basis for my evaluation of different readings of the 'invisible hand' with the aim of avoiding a disengaged pluralism and associated relativism of readings. To simply recount the multitude of different readings in such a way as to imply that no reading was invalid and all readings are equally valid, to examine these readings solely on their own terms, as I have done so far, amounts to a disengaged pluralism. To avoid this charge, and to offer a meaningful and critical engagement with these readings, I undertake a Skinnerian evaluation.

Skinner (1972: 393) cautions that one must "avoid the vulgarity […] of supposing that we can ever hope to arrive at 'the correct reading' of a text, such that any rival readings can then be ruled out." This thesis adheres to this view and does not claim to uncover or identify 'correct' readings of the 'invisible hand'. Rather, through an engagement with Skinner's works I have established seven standards of reading that, when adhered to, produce what I term a 'comprehensive' reading. By evaluating readings against these seven standards and therefore according to their 'comprehensiveness', I am able to avoid a disengaged pluralism, the associated relativisation of readings and the 'vulgarity' of claiming correct readings can be identified. The standards can be grouped on the basis that they are each, in varying ways, a call for readers to minimise 'reading in' pre-existing opinions and prejudices into the text. Readings:

- should be close, thorough and detailed;
- not anachronistic;
- based upon both the text and its context;
- built upon an engagement with the author's entire oeuvre;
- should not interpret scattered remarks to be the author's doctrine; as well as
- the reader should not 'read in' historical significance, and
- the 'sense' and 'reference' of the work should be approached in a historically-aware manner.

I employ these standards or 'goals' as a yardstick against which I can examine and analyse the seven types of readings of the 'invisible hand'.[8] Prior to embarking upon the task of evaluation, I must acknowledge and attempt to combat a methodological limitation that arises from my normative and theoretical alignment with the work of Skinner. As stated in my Approach to Research chapter, Skinner's work performs a dual function in my thesis. It provides both the standards against which I might assess readings of the 'invisible hand' *and* my own standards for reading. Consequently, I must reflect on my failings to adhere to these standards of reading, specifically on how I might 'read in' to the texts my own preconceived ideas. With regard to my analysis, I have examined readings of the 'invisible hand', specifically how the selected representative authors read the 'invisible hand'. I must pause and ask, what if the intention of my

[8] To recap, these standards are not explicitly stated by Skinner himself but rather I have produced them through an engagement with his critique of orthodox approaches to reading and interpretation. See Methods Chapter.

selected representative authors *is not* to provide a reading of the 'invisible hand'? These readers might have no intention to offer an interpretation of Smith's famous phrase. And, therefore, it could be argued that I am simply 'reading into' these authors this intention and therefore falling foul of Skinner's normative standards. I must admit that the vast majority of representative authors – with the exception of the contemporary revisionists – do not explicitly state their intention to be the interpretation of the 'invisible hand'. However, I claim that each representative author discussed in this thesis demonstrates an intention – not in whole but in part – to interpret the 'invisible hand'. The basis for this claim is quite simple: the authors in question were not forced to adopt the 'invisible hand', they did so out of choice. Instead of invoking the 'invisible hand', they could have selected another phrase or come up with their own. Rather, they chose to ground their work in Smith and specifically in the 'invisible hand'. Doing so provides a particular gravitas and historical lineage for their work, potentially acting to bolster their claims. Thus, as this is a deliberate choice, I make the argument that it amounts to a reading of the 'invisible hand'. It is a deliberate invocation of a phrase and this invocation necessarily involves the creation of a meaning for said phrase. In other words, whilst their explicit intention is not necessarily to interpret the 'invisible hand', their intention *in writing* is this interpretation. This discussion goes some way toward absolving me from this specific charge, however, I do acknowledge that adherence to Skinner's standards of reading is an ideal and one that I can only attempt, but not guarantee, to meet.

The following section contains an evaluation of the seven types of reading of the 'invisible hand'. This evaluation has been facilitated by what I will term a 're-reading': returning to the original work of the representative authors and reviewing my own report of their reading and epistemological frameworks, as set out in my analysis chapters. I have performed this re-reading with the Skinnerian standards for interpretation in mind, moving back and forth frequently between the material and Skinner's framework. This has enabled me to evaluate these readings and their associated epistemological frameworks in a methodologically grounded manner. I do not aim for these evaluations to be 'tick box' exercises, measuring each reading meticulously against each and every standard. Rather, I foresee the analysis being a Skinnerian inspired examination of each type of reading. To note, when I refer to a reading as 'comprehensive' or 'non-comprehensive', I am henceforth using these terms to denote to what extent the reading adheres to the Skinnerian standards as set out in this section.

10.3.1 ‘Transcendental’ Reading

The ‘Transcendental’ reading of the ‘invisible hand’ accounts for those readings that understand the phrase to be another-worldly mechanism, a spiritual mechanism or simply as God or Providence. The work of Jacob Viner and Alec Macfie has been selected to represent this type. It was demonstrated in Chapter Three that underpinning this reading was a commitment to intertextuality, historically-situated research, geographically-situated research and scholarly objectivity. Beginning with Macfie, and followed by Viner, I offer a Skinnerian analysis.

Macfie claims that all three of Smith’s ‘invisible hands’ are God, but only in *TMS* and *WON* does the phrase represent a Christian Deity. Broadly speaking, this reading can be seen to adhere to a number of the Skinnerian standards. Firstly, there is clear evidence that Macfie performs a close reading of Smith. He quotes from him at length and thoroughly examines Smith’s footnotes in addition to the main body of his texts. Furthermore, his engagement with all three of Smith’s ‘invisible hands’, demonstrates a comprehensive reading of Smith’s entire oeuvre. In fact, Macfie distinguishes his own engagement with the ‘invisible hand’ from mainstream readings on the basis that he explores Smith’s least well-known phrase in *History of Astronomy*. Macfie’s commitment to a comprehensive reading is made explicit when he explains that only when a reader engages with *both* Smith’s economic and ethical works may they fully understand him (Macfie, 1959). Such an approach is a clear consequence of Macfie’s epistemological commitment to holistic research that understands economics as a constituent part of a wider political, social and ethical system. When measured against these two standards – a close reading and a comprehensive engagement with Smith’s oeuvre – Macfie’s reading can be deemed successful.

In addition, Macfie’s reading demonstrates an engagement with Smith’s historical context. When examining Smith’s *HoA*, Macfie explains that Smiths’ discussion of ‘Jupiter’ and ‘the invisible hand of Jupiter’ as the divine order adhered to by the “savages” was “typical of the Enlightenment” (Macfie,1971: 596). He goes on to state that such interpretations of history “were common in the Scottish eighteenth-century school” (Ibid.). We can identify, therefore, that Macfie’s epistemological commitment to historically-situated research underpins his adherence to this particular Skinnerian standard. Furthermore, we can see that Macfie’s reading of the ‘invisible hand’ as God is explicitly *not* anachronistic. In fact, in discussing the ‘invisible hand’ as God, Macfie is attempting to re-establish the significant role played by the Church and religion in the Scottish tradition, of which Smith was a part. The re-integration of Smith with the ‘Scottish

Tradition', and thus the re-discovery of his "completely Scottish character" is a primary goal of Macfie's and is said to be an essential element in understanding his work (Macfie, 2009: 392). Macfie's reading, therefore, can be understood as an answer, or antidote, to mainstream anachronistic readings, conditioned by his epistemological commitments to a historically, and geographically, situated research process.

Broadly speaking, Macfie's reading adheres to the Skinnerian standards, however, there is an exception when assessed against Skinner's 'mythology of doctrine'. There appears to be a contradiction in Macfie's engagement with the 'invisible hand'. On the one hand, he readily acknowledges that Smith only used the phrase three times and states that, despite this scant use, it has gained significant popularity and is "Smith's most quoted phrase" (Ibid: 595). On the other hand, Macfie himself discusses Smith's "major statement of the 'invisible hand' doctrine" and "the invisible hand argument" which is "most fully stated in the *Moral Sentiments* passage" (Ibid: 596). The implication of these statements is that Smith had a fully formed argument or 'doctrine' that he was expressing by employing the phrase. Therefore, we see in Macfie's work both an acknowledgement of the unwarranted popularity of the 'invisible hand' in addition to his own popularisation and 'doctrinisation' of the phrase. In short, Macfie fails to reflect upon his own role in the production and solidification of a Smithian invisible hand doctrine.

Similarly to Macfie, Jacob Viner's reading of the 'invisible hand' and his related epistemological commitments largely adhere to the Skinnerian standards. Viner attempts to recover the religious elements within Smith's work and, in line with this aim, reads the 'invisible hand' as God. This reading is underpinned by Viner's epistemological commitment to both scholarly objectivity and the requirement to perform an accurate report of an author's work prior to evaluation. Viner explicitly reflects upon his own approach to reading and states he has "tried to operate" according to two standards of "scholarly objectivity":

> *first, be as neutral as you can in reporting other men's ideas, yielding to favorable nor to unfavorable bias, nor to unmotivated carelessness; second, bear in mind that this, even an approach to accuracy in reporting, is an arduous and difficult art, calling for unintermitting self-discipline*
>
> Viner, 1977: 2

Viner's efforts sound Skinnerian in their objective, he is essentially calling for readers to avoid 'reading in' their own preconceptions into the text and to achieve this through a close and detailed reading, characterised by "internal consistency, rigour [and] relevance" (Ibid.). We can

also identify adherence to two further Skinnerian standards: a non-anachronistic reading and one that engages with Smith's context as well as his texts. Viner's reading of the 'invisible hand' as God does not constitute anachronism on the basis that such a reading is chronologically consistent with Smith's work. In fact, Viner seeks to re-establish the religious context within which Smith was writing, explaining that secular readings of Smith are "not intelligible" (Viner, 1977: 82). Viner reads the 'invisible hand' within the religious context of Smith's time and thus avoids 'reading in' his own, secular preconceptions. We also see in Viner's work, specifically his 1927 article *Adam Smith and Laissez Faire*, an engagement with Smith's entire oeuvre – he draws upon all of Smith's publications to evidence his general discussions. With regard to his reading of the 'invisible hand', this engagement is enabled by two lengthy quotations from *TMS* and *WON*. Thus, it can be deemed adequately close and thorough. However, despite Viner placing emphasis on the 'invisible hand', in part, by providing extensive quotations of the phrase and its context, he demonstrates self-reflectivity and explicitly avoids placing a historical significance on the phrase that Smith could not have awarded himself. Viner explains that he is "obliged to give to the role of the 'invisible hand' […] the weight it apparently had for him [Smith]" (Viner, 1977 :82). And thus, unlike Macfie, Viner discusses and places emphasis on the phrase without falling into the trap of a 'mythology of doctrine'.

Viner is a self-reflective reader, who writes explicitly and directly about his reading practices and methods. It is perhaps unsurprising that due to this process of self-reflection, we find in Viner's work a reading of the 'invisible hand' that adheres to many of the Skinnerian standards. Reflecting upon both Macfie and Viner, we see that epistemological commitments to scholarly objectivity, impartiality and historically-situated research underpin two readings that largely satisfy the Skinnerian standards and thus can be deemed comprehensive.

10.3.2 'English Historical School' Reading

The English Historical reading of the 'invisible hand' has been explored using the work of Cliffe Leslie and John Kells Ingram. Both authors critique the 'invisible hand' on the basis that it is symbolic of Smith's deductive reasoning. In Chapter Four, their reading has been shown to be underpinned by epistemological commitments to inductive research. Such research is characterised by both historicism and 'holism', i.e., the belief that economic knowledge must be based upon an acknowledgement of the economic system as just *one* element of a wider political, legal, intellectual and social system. To reflect the structure of Chapter Four, both authors and their adherence to the Skinnerian standards shall be discussed jointly.

Leslie and Ingram identify two approaches within Smith's work: both deductive and inductive. As adherents to an historical, inductive approach they draw significantly from this element of Smith's work, identifying him as a historical predecessor. However, they are highly critical of the deductive aspect, something they associate specifically with the 'invisible hand'. This reading of the 'invisible hand' is based upon an engagement with Smith's entire oeuvre. In fact, Leslie explicitly calls for Smith's "system of philosophy […] to be studied as a whole" (Leslie, 1870: Para. 5). This call for a comprehensive reading practice is underpinned by the epistemological commitment to holism and specifically the need to understand the economy as one element of a wider system. Because Smith structured his economic, ethical and moral discussions across two separate books, Leslie's and Ingram's epistemological commitment to holism entails a comprehensive and intertextual reading of his works.

In addition to a comprehensive and intertextual reading practice we find evidence of a reading that is historically-situated. Both authors place significant emphasis upon the need to understand authors, events, texts and debates within their appropriate historical contexts. This is because such things are contingent upon their historical contexts and thus a valid knowledge of them requires this form of engagement. Leslie surmises this view: "no branch of philosophical doctrine, indeed, can be fairly investigated or apprehended apart from its history" (Leslie, 1870: Para. 2). Ingram also demonstrates a historical awareness when attributing historical significance to Smith's text. To re-cap, Skinner's discussion of 'mythology of prolepsis' outlines the problems encountered when readers falsely attribute historical significance to a piece of work, a significance that the original author could never have attributed to her own work. Thus, a reading adheres to the Skinnerian standards when it *does not* read-in such historical significance. We see this in Ingram's work. Ingram calls for an over-arching, all-encompassing social science *a la Comte* [see Chapter Four for details]. And according to Ingram, Smith shows "a tendency to comprehend and combine in his investigations all the different aspects of social phenomena" (Ingram, 1878: 11). Thus, Ingram identifies a precursor to Comte's claims in the work of Smith. However, we see that Ingram carefully and explicitly avoids wrongly attributing historical significance to Smith's work:

> *Smith's tendency came before the term 'social science' had been spoken or written, it could not be expected that he should have conceived adequately that nature and conditions of that branch of inquiry, much less founded it on definitive bases – a task which was to be achieved more than fifty years later by the genius of Comte. But* ***he proceeded as far in this direction as it was possible to do under the intellectual conditions of his time***
>
> Ingram, 1878: 11 [Emphasis Added]

Such a statement also demonstrates an acknowledgement and appreciation for Smith's own historical context, the debates ongoing at his time of writing, the terms available to him and the terms that were not. We see this again in Ingram's statement that Smith had "an anticipation, *wonderful for his period*, of general sociology, both statical and dynamical" (Ibid. [Emphasis Added]. In Leslie's work we can identify a similar awareness. He discusses Smith's failure to discuss the role of women as a result of "the age in which he lived, and the ideas of a yet earlier state of society" (Leslie, 1870: Para. 22). Thus, the English Historical School can be said to adhere to a non-anachronistic reading that acknowledges the historical context within which Smith was writing and does not attribute falsely attribute Smith with historical significance.

We see specifically in Leslie's work, a commitment to a detailed reading of Smith. With regard to the 'invisible hand', Leslie quotes substantially and ad verbatim from both *WON* and *TMS* before providing a significant and close analysis of the quotes in the subsequent paragraphs. In contrast, Ingram's invocation in his book *A History of Political Economy* is simply the quote "led by an invisible hand", with no reference provided and thus no indication from which book of Smith's he is drawing. Furthermore, Ingram simply provides this five-word quote without any further additional context. This seeming lack of engagement with Smith's original texts contrasts with the profundity of Leslie's work and is an indication that Ingram fails to adhere to the first of the Skinnerian standards, a close and thorough reading. Whilst it cannot be verified, I believe that such a deficiency in Ingram's reading is the result of his willingness to re-produce Leslie's engagement with Smith. Such a suggestion would concur with Black's (2002: 17) discussion of the intellectual similarities between the work of Leslie, the founder of the English Historical School, and his colleague, follower and friend, Ingram. The affinity between the two authors is particularly evident in their discussions relating to the two elements of Smith's thought, the deductive and inductive methods. It is in relation to this particular discussion that both authors, writing in separate publications, invoke the 'invisible hand' as a symbol of Smith's deduction. It may be suggested, therefore, that Ingram was simply following Leslie's lead in regard to Smith's

‘invisible hand’ and therefore has not provided evidence of his own close and detailed engagement with the phrase.

There is a further way in which this type of reading fails to adhere to the Skinnerian standards, we find in the work of John Kells Ingram remarks that constitute a ‘mythology of doctrine’. To re-cap, Skinner warns against taking the scattered remarks of an author to be their doctrine. This is a ‘mythology’ readily found in readings of the ‘invisible hand’ due to the fact that the phrase is mentioned by Smith only three times and yet has become in modern times synonymous with, and in some cases even representative of, Smith’s economic works (Watson, 2013: 6). Writing in 1888, Ingram explains that for Smith “Nature has made provision for social wellbeing by the principle of the human constitution which prompts every man to better his condition” before quoting the ‘invisible hand’ (Ingram, 1888: 91). This “theory” of the ‘invisible hand’, explains Ingram, “is, of course, not explicitly presented by Smith as a foundation of his economic doctrines, but it is really the secret substratum on which they rest” (Ibid.). Here is clear evidence of Ingram ‘reading into’ Smith a ‘secret substratum’, an underpinning belief of his entire works that is neither explicitly discussed nor presented by Smith. Furthermore, Ingram provides no further or specific evidence to justify his claim – a clear commitment of the ‘mythology of doctrine’.

From the above analysis it can be seen that the English Historical School, as represented by Cliffe Leslie and John Kells Ingram, adhere to many of the Skinnerian standards of interpretation. Thus, I suggest that their epistemological commitment to inductive research, characterised by a historicist and holist approach underpins a reading that can be considered ‘comprehensive’. I have highlighted a difference in engagement with the ‘invisible hand’ between Leslie and Ingram, namely Ingram’s failure to quote from Smith directly and engage with him in an adequately close or thorough manner. This might be explained by Ingram’s reliance upon, or reference to, Leslie’s prior analysis of the ‘invisible hand’.

10.3.3 ‘Invisible-Hand Explanation’ & ‘Spontaneous Order’ Readings

The work of Robert Nozick and Edna Ullman Margalit has been employed as representative of the reading of the ‘invisible hand’ as an ‘Invisible-Hand Explanation’ or ‘Process’. Relatedly, Fredrich von Hayek’s work has been employed to enable a discussion of ‘Spontaneous Order ’readings of the phrase. These invocations of the ‘invisible hand’ are an epistemological act in themselves, a statement on how one might, and should, gain knowledge about the emergence and

persistence of social institutions and patterns. For other representative authors discussed in the thesis, I have demonstrated the existence of 'Epistemologies of Reading' – the phenomenon of their epistemological commitments relating to, conditioning and impacting upon their substantive reading of the phrase. For Nozick, Margalit and Hayek, this relationship between epistemology and reading is more condensed or contracted as the 'invisible hand' for them is, quite simply, one of their epistemological commitments. The following Skinnerian analysis acknowledges and reflects this difference in relationship.

Robert Nozick adopts what Tieffenbach (2013) terms an 'explanatory' reading of the 'invisible hand' - he employs it to explain the way in which particular social, political, or economic outcomes arise. More specifically, Nozick invokes Smith's 'invisible hand' to provide a basis for his theory that a minimal state arises through an 'invisible hand' process and thus is morally justifiable. Such an 'invisible-hand process' is when a pattern or outcome is produced and maintained through the aggregation of the dispersed actions of individuals without the goal of achieving said pattern or outcome. Nozick (1994: 314) does not claim that his theory of invisible-hand processes is loosely based upon or inspired by Smith's work but rather that Smith himself was discussing an invisible-hand process and therefore he is simply "Following Adam Smith". We see here a clear indication of the anachronistic qualities of Nozick's work. By claiming that Smith himself was discussing invisible-hand processes Nozick creates a chronological inconsistency – placing a 20th century concept and idea into Smith's 18th century publications. Furthermore, by declaring Smith his predecessor, Nozick seizes Smith into his own historical lineage and narrative. In doing so he is placing a significance on Smith's work that Smith himself could not have conceptualised or communicated.

Despite 'following Smith', Nozick does not offer a close, detailed nor thorough reading of Smith's work or discussion of the 'invisible hand'. In fact, in his article entitled 'Invisible-Hand Explanations', in which his goal is to expand upon and further clarify a concept that he first invoked 20 years prior, Nozick does not quote from any of Smith's books, paraphrase his discussion of the 'invisible hand', provide any evidence to justify his claim that Smith was, in fact, using an invisible-hand explanation or even provide a reference to Smith in his bibliography. In this article he quite simply states that he is following in Smith's footsteps. Similarly, in *Anarchy, State and Utopia* (1974) there is no bibliographical reference to Smith's work and he does not appear in the Index. Nozick does, however, quote from Smith: when introducing the concept of invisible-hand explanations. He states "After Adam Smith, we shall call such

explanations *invisible-hand explanations*. ('Every individual intends only his own gain, and he is in this, as in so many other cases, led by an invisible hand to promote an end which was no part of his intention.')" (Nozick, 1974: 18). We know of course that this is a quote from Smith's *WON*, however, this information is not provided by Nozick for the reader. Furthermore, this short quote is the extent to which Nozick engages with Smith's texts. He provides no further contextual information to enable the reader to evaluate his claim that invisible-hand explanations originate in the work of Smith. In fact, he provides no evidence or explanation for why this claim might hold true at all. We also see here evidence of a failure to engage with the entirety of Smith's oeuvre. In fact, Nozick fails to acknowledge any of Smith's publications other than *The Wealth of Nations*. The failure to engage with Smith's texts are mirrored by Nozick's decision to not examine or discuss the social, political, or historical context surrounding Smith's work.

It must be noted that in *Anarchy, State and Utopia* (1974), Nozick does explicitly state that he offers "no explicit account of invisible-hand explanations" (Ibid :20). Therefore, we can clearly see that an in-depth or detailed analysis of invisible-hand explanations is not his intention. Consequently, one may safely assume that Nozick also does not intend to offer a detailed analysis of the 'invisible hand', upon which these explanations have been built. Acknowledging this does, to some unmeasurable extent, unshackle him from the need to adhere to Skinnerian standards of interpretation. Whilst such an academic practice – the refusal to expound the theoretical grounding of your approach – might be frowned upon, we cannot ignore the fact that Nozick has explicitly told the reader of his intentions, or lack thereof. The situation changes significantly when we look at Nozick's 1994 publication, *Invisible-Hand Explanations*. This goal of this publication is to expand on and clarify the concept 'invisible-hand explanation', however, we once again see a failure to engage with Smith's work. In fact, Nozick fails to provide a single quotation from Smith. Whilst we might have to be wary of measuring Nozick's adherence to the standards in his 1974 publication, we can evaluate his 1994 article fairly.

The Skinnerian evaluation of Nozick's reading has demonstrated that it is particularly limited. Despite hailing Smith as his historical predecessor, Nozick makes no attempt to examine, unpack or discuss Smith's writings. In adopting this approach to reading he fails to meet most of the Skinnerian standards of interpretation. This approach, however, does reflect Nozick's epistemological commitments. Nozick epistemologically privileges invisible-hand explanations over those that are accurate, 'standard' or 'intention-led': they carry "important explanatory illumination even if it is not the correct explanation" (Nozick, 1974: 8). Smith's work, therefore,

is not judged by Nozick on its historical accuracy or correctness but rather simply by his, apparent, adoption of this form of invisible-hand explanation. Because of this, there is no requirement to dig deeper into Smith's work, determine its accuracy or examine his invisible hand argument in full. Thus, Nozick's epistemological commitments lead directly to an incomprehensive reading of Smith.

Edna Ullmann Margalit also grounds her discussion of invisible-hand explanations and processes in the work of Smith. In fact, she claims that Smith was the first to employ an invisible-hand explanation or to identify an invisible-hand process. Smith's example of an invisible-hand process, according to Margalit, is "the equilibrial pricing system that develops within the perfectly competitive market" (Margalit, 1978: 270). We see in Margalit's engagement with Smith, a closer adherence to each of the Skinnerian standards of reading than Nozick achieved. Firstly, Margalit shows a willingness to engage with Smith's work in a more close, thorough and detailed manner than Nozick. This is due to her decision to differentiate between two 'molds' or 'types' of invisible-hand explanation, the 'evolutionary' type which is *not* related to the work of Smith and the 'aggregative mechanism' type which is. In short, the evolutionary type provides and explanation for the "prolonged and continued existence" of a social pattern whereas the aggregative type explains the "emergence and initial existence" of a social pattern and, therefore, an aggregative explanation need not make any assumptions about the shape, form, quality or characteristics of the social pattern in question (Margalit, 1997: 190). Because of Margalit's differentiation between types of explanation and her decision to ground only one in the work of Smith, her engagement with Smith is required to be greater than Nozick's. In her 1997 paper, *The Invisible Hand and the Cunning of Reason*, Margalit offers a very brief interpretation of what Smith was referring to in his 'invisible hand' paragraph in the *WON*. She also footnotes this discussion with a statement acknowledging 'the invisible hands' of *TMS* and *HoA.* We also see a similar level of engagement her 1978 paper, *Invisible-Hand Explanations.* Here she quotes the 'invisible hand' paragraph from *TMS* in an extensive footnote. In the same footnote she encourages the reader to access Alec Macfie's work to gain further insight into Smith's 'invisible hand' of *HoA*. In contrast to Nozick's engagement with Smith's texts, Margalit's reading might initially appear close and detailed, however, it remains limited. Considering she employs Smith's 'invisible hand' as the basis for her central thesis, she dedicates notably little space to an examination of his use of the phrase. Instead, she simply tells the reader that Smith adopted an invisible-hand explanation and that this explanation related to the pricing system within a

perfectly competitive market. Furthermore, her decision to provide a longer verbatim quote from Smith initially seems to demonstrate a willingness to engage, however, its placement in a footnote is an illustration of the relative importance she awarded it. Additionally, her decision to mention all three 'invisible hands' seems to demonstrate an awareness of Smith's entire oeuvre; however, her reading of the phrase is not underpinned by an engagement with each of these texts, and it most certainly cannot be regarded as intertextual. Rather it appears that these brief acknowledgements have been added after the fact. Thus, while we might identify that Margalit surpasses Nozick with regard to the Skinnerian standards of a close reading and comprehensive engagement, she does not do enough to adhere to them fully.

Margalit's framing of the 'invisible hand' can be characterised as both the 'reading in' of a particular historical significance as well as the magnification of the phrase and the presentation of it as Smith's doctrine. Margalit mirrors Nozick in her claim that invisible-hand explanations are grounded in the work of Smith – resultingly her engagement with Smith is very limited and centred wholly on the 'invisible hand'. Margalit does not acknowledge that this is just one, small, aspect of his very large and complex theoretical framework. By framing the 'invisible hand' as Smith's key, and potentially only, contribution, Margalit bolsters the theoretical grounding for her approach. However, in doing so she awards the phrase a historical significance – as the 'founding' invisible-hand explanation – that Smith could not have given himself. Furthermore, like Nozick, Margalit's reading can be characterised as anachronistic. Her claim that Smith himself was the first to use an invisible-hand explanation constitutes a chronological displacement of a modern concept.

Analysing Margalit's reading according to the Skinnerian standards demonstrates the deficiencies of her reading. Like Nozick, Margalit claims to ground her work in Smith's but fails to engage with it in a comprehensive manner. Smith and the 'invisible hand' are not employed substantively but seemingly by name alone. Such a limited engagement reflects Margalit's epistemological commitment to invisible-hand explanations regardless of their historical accuracy. It is Smith's apparent adoption of this form of explanation – as opposed to his ability to provide an accurate report of the emergence and persistence of order – that means he occupies the historical centrepiece of Margalit's work. And this form of invocation necessitates only a minimum, non-comprehensive engagement with Smith's work.

Hayek invokes the 'invisible hand' as an epistemological statement; he uses the phrase to denote *how* he conceives of the attainment and dispersal of economic knowledge. In other words, Hayek identifies and outlines the epistemological problem of economics – how to co-ordinate widely dispersed economic knowledge – and then addresses this problem using his theory of spontaneous order; a theory he justifies and explains using Smith's 'invisible hand'. Hayek explicitly grounds his work in Smith's by explaining that he, and Adam Ferguson, "first made systematic use of this approach" of spontaneous order. We see Hayek's sentiment adopted in more recent publications including the work of Cordasco & Bavetta (2015) who also claim that Smith was "among the first to develop a fully fledged account of how institutions spontaneously develop as a result of the unintended design arising out of intentional human actions" (Cordasco & Bavetta, 2015: 47). On account of his reading of Smith and the widespread acceptance of said reading, Hayek and Smith are often 'lumped' together (Albrecht, 2017: 346). This seemingly successful invocation of Smith is, however, lacking when analysed according to the Skinnerian standards. Hayek's engagement is limited in both its thoroughness and comprehensiveness. Hayek fails to closely engage with Smith's work and does not discuss the intricacies, accuracies or weakness of his work in general nor the 'invisible hand' in particular, despite identifying him as a historical predecessor. We see in the bibliography of *The Fatal Conceit: The Errors of Socialism* (1988) reference to each of Smith's publications, however, his engagements with the 'invisible hand' within the text do not draw upon these works.

Furthermore, by awarding Smith, and the 'invisible hand', the role of historical predecessor to the theory of spontaneous order, Hayek commits a 'reading in' of historical significance, a significance that Smith could not have attributed to himself. However, it should be noted that such a reading is not necessarily anachronistic as Hayek does not imply Smith was discussing spontaneous order himself, but rather that his discussions can, in the modern day, be classified as such. Whilst Hayek reflects more thoroughly on other aspects of Smith's work including, for example, the Division of Labour, when it comes to his specific engagement with the 'invisible hand', his analysis is limited and superficial, despite the phrase being identified as the theoretical precursor to spontaneous order. Thus, we can observe that like Margalit and Nozick, Hayek's epistemological invocation falls foul of the Skinnerian standards.

10.3.4 'Market Mechanism' Reading

The 'Market Mechanism' reading of the 'invisible hand' has been represented in this thesis by the work of Paul Samuelson and Ronald Coase. In modern times, this reading has become

particularly common, not just in academic discourses but also in popular culture (Wight, 2007:341). A Skinnerian examination will determine the comprehensiveness of this particular type of engagement with Smith.

Paul Samuelson, primarily through the means of his *Economics* textbook, has played a significant role in the 'Market Mechanism' reading becoming orthodox (Skousen, 1997: 137, see also Kennedy, 2010: 105). Samuelson specifically understands the 'invisible hand' to be an allocative mechanism that exists in the state of perfect competition. Despite the popularity and widespread acceptance of Samuelson's reading, when assessed against Skinnerian standards it falls foul. Beginning with the requirement to read closely, Samuelson's adherence to such a standard varies across each of his engagements with the phrase. Writing his first edition of *Economics* in 1948, Samuelson quotes ad verbatim the words "the invisible hand", however, paraphrases the context to the phrase. While paraphrasing, Samuelson discusses the "selfish" motivations of an individual, a misrepresentation of Smith's original wording, an individual that "intends only his own gain" (WON, IV, II). Samuelson's use of the word 'selfish' is indicative of two things: firstly, a failure to closely read Smith and paraphrase him accurately and secondly, an ignorance of Smith's extensive elaborations of the distinctions between self-interest, self-preservation, self-love and selfishness in *TMS* (Heath, 2013: 242). Therefore, we may identify here an indication that Samuelson engaged primarily with *WON,* and not Smith's entire oeuvre. In later editions of *Economics*, Samuelson continues to paraphrase Smith's argument, however, amends his wording from the 'selfish' motivations of an individual, to an individual pursuing his own 'private interest'. This latter phrasing more closely aligns with Smith's original wording. Samuelson's decision to adapt his wording might be understood as an admittance of an initial failure to read Smith closely and a later effort to rectify this error.

In Samuelson's work we see a further deficiency when evaluated according to Skinnerian standards, namely a failure to engage with Smith's historical context and a resulting anachronistic reading. Importantly, however, Samuelson's approach is not to be understood as a failure to reach this standard but rather as a *disregard* for the standard itself. In fact, Samuelson's epistemological commitment to the conceptual unity of economics and his resulting approach of a rational reconstruction is inherently anachronistic and yet presented by Samuelson as the only way in which we might gain valid knowledge of our historical predecessors, by understanding them in our modern context and evaluating them against modern standards. Samuelson (1977: 44) indicates his anachronistic approach in statements such as "inside every classical economist is a

modern economist trying to get out" and his claim that he will perform a "modern postmortem" of Smith. He also praises Smith for his wisdom about "capitalism" and his ideological defence of "laissez faire" (Ibid.). These are each economic concepts developed after Smith's time and therefore could not have been what Smith was discussing or advocating for (Beck, 2016: 53). Here we also see evidence of Samuelson attributing a historical significance to Smith's work, namely viewing it as a staunch defence of a particular economic system, a significance that Smith could not have feasibly placed upon his own work. Samuelson (1977: 42) discusses his decision to use "1976 mathematical methods" to express and translate Smith's 'invisible hand'. This mathematization – his expression of Smith's written theory in mathematical form – is a further demonstration of the anachronistic and historically unsituated aspects of his approach. Furthermore, the translation of written theory into a mathematical model is inherently abstracting and simplifying. In undertaking this translation, Samuelson is unable to account for any nuance or complexity in the theory, specifically that which cannot be expressed algebraically such as ethical concerns. On this basis, Samuelson's mathematical reading of the 'invisible hand' can also be deemed to fall foul of the normative standard of a close, thorough and detailed reading.

Finally, we can also identify in Samuelson's reading a 'mythology of parochialism'. To re-cap, Skinner warns against approaching a text with preconceived paradigms, classifications or criteria. Doing so means we might see familiarity where it does not exist. Or, even more problematically, read a text in such a way as to emphasise elements that are familiar and ignore or 'read out' those that are not. We see this occurring in Samuelson's reading, specifically when Samuelson proclaims Smith's "eclectic wisdom about developing *capitalism*, and for his ideological defence of competitive *laissez faire* as against blundering *Mercantilist* interferences with the market" (Samuelson, 1977: 42 [Emphasis Added]). Here, Samuelson approaches Smith's comments relating to limiting government intervention in the economy and increasing divisions of labour and 'reads in' to the text ideas with which he is familiar, namely a capitalist economic order and competitive laissez-faire. Samuelson is, to use Skinner's words, conceptualising "an argument in such a way that its alien elements are dissolved into an apparent but misleading familiarity" (Skinner, 1969: 27).

It has been demonstrated that Samuelson's reading of the 'invisible hand', and his associated 'Epistemology of Reading' are found lacking when assessed using the Skinnerian standards. This is particularly evident in Samuelson's discussion of Smith's historical context. As I demonstrated in the preceding paragraphs, it is not the case that Samuelson fails to meet the goal of engaging

with Smith in a historically situated manner but, rather, that Samuelson's goal is to rationally reconstruct Smith, removing him from his historical context and assessing him against modern economic standards. Samuelson's failure to adhere to the normative Skinnerian standards must also be understood within the context of his eminence. Samuelson's reading of the 'invisible hand' has reached, at the very least, the 4.5 million people that have purchased his textbooks (Skousen, 1997: 137). Furthermore, his prominence means his reading has been adopted into the economic orthodoxy, it is taught at universities and reproduced in further books. It is, therefore, of particular importance that we note Samuelson's non-comprehensive reading, his failure to fulfil the Skinnerian standards. This is not, however, true of both representative authors of the 'Market Mechanism' type and a discussion of Coase's reading serves to demonstrate this.

Ronald Coase reads the 'invisible hand' as the price mechanism or 'pricing system', the coordination of the economy with beneficial results. Coase's reading is unusual, however, as he quite clearly differentiates between the 'invisible hand' of Smith and the treatment of the 'invisible hand' by modern economists[9]. Coase praises Smith as "a great economist, perhaps the greatest there has ever been" (Coase, 1976: 529) and his 'invisible hand' as "clearly right" (Coase, 1992: 715). However, he critiques the modern focus upon, and 'formalization' of, the 'invisible hand' (Coase, 1998: 72). This modern examination, and clarification, of the 'invisible hand' is a "great intellectual achievement" but "has not been by any means been all gain" (Coase, 1992: 714). Such extreme focus on the pricing system, or invisible hand, has led to a disregard for other elements of the economic system, it is increasingly abstract and "does not seem to call for a detailed knowledge of the actual economic system" (Ibid: 714). This shift in Coase's opinion is a result of his epistemological belief that the validity of economic knowledge and theories can be measured by their explanatory value. Writing in his own historical context, Smith's 'theory' of the 'invisible hand' had significant explanatory value. In contrast, for modern economists who are writing in a time of increased economic complexity and nuance, the explanatory value of their 'theory' of the pricing system is relatively low. My Skinnerian evaluation of Coase acknowledges his particular 'dual-reading' approach.

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[9] Coase's reading cann*ot* be classified as a Contemporary Revisionist reading, however, on the basis that Coase does not revise dominant readings of Smith nor offer his own, alternative reading. It is the modern economist's extreme and narrow focus upon the 'invisible hand' that Coase critiques rather than their understanding of it as the 'price mechanism' – an understanding with which he agrees.

Coase's differentiation between Smith's 'invisible hand' and the modern reception of it is a clear indication of his acknowledgement of the distinct historical context within which Smith was writing and, resultingly, the differing value of the theory when understood as a product of, and within the context of, the 1700s. In fact, Coase appears to be critiquing the inability of modern economists to discuss the 'invisible hand' in a historically-aware manner, they formalize the 'invisible hand' without adequate 'updates' or amendments that reflect the modern economic system and the nuances and complexities contained within it. This aspect of Coase's approach differs significantly from Samuelson's, whilst both authors link Smith's invisible hand to modern market mechanisms, Samuelson assesses the phrase against modern standards while Coase acknowledges the historical-situatedness of Smith's work.

There is a further way in which the two representative authors - Samuelson and Coase – differ, in the extent of their engagement with Smith's oeuvre. As we saw in the preceding section, Samuelson demonstrates an ignorance of Smith's writings in *TMS,* and does not reference it once in his latest edition of *Economics*. This contrasts significantly with Coase who, specifically in his 1976 paper 'Adam Smith's View of Man', draws extensively from *TMS*. Furthermore, Coase explicitly states that he believes Smith's "views on human nature are important to us because to know them is to deepen our understanding of his economics", a few lines later he then states that Smith "does not set down in one place his views on the nature of man […] they have to be inferred from remarks in the *Theory of Moral Sentiments* and the *Wealth of Nations"* (Coase, 1976: 529). Here we see Coase both advocating, and adhering to, a fuller reading of Smith's oeuvre and, furthermore, a clear statement that an intertextual approach is the key to a comprehensive understanding of Smith's economic theory.

This evaluation of Coase's work should, however, be tempered. It is correct that he assesses the 'theory' of the 'invisible hand' in a historically situated manner and based upon an intertextual reading, however, his explicit reading of the phrase as the pricing system is anachronistic. We see in his index to the book *Economics and Economists* (1994) that Coase lists the 'invisible hand' but instead of providing page numbers for the entry, re-directs the reader to a further index listing, 'Price System of Adam Smith'. In the correlating section of the main body of the text, Coase states that Smith "shows that the pricing system is a self-adjusting mechanism" (Coase, 1994: 83). Had Coase suggested that Smith's 'invisible hand' has, in modern times, been used as the basis of the theory of the pricing system then he could have maintained his historically-situated approach, differentiating between what Smith said and what has been said about Smith.

However, Coase instead chooses to discuss 'Smith's price system' - in doing so, he claims that Smith was engaging with a theory and concept of which he had no access or knowledge.

I now turn to Skinner's discussion of a 'mythology of doctrine', against which Coase's reading does not measure up. Coase explicitly refers to Smith's "doctrine of the invisible hand" (Coase, 1998: 72). He also implies that the 'invisible hand' is the central belief of Smith' in two key ways: firstly, by discussing it as a central theme of *WON (*Coase, 1992: 713) and secondly, by listing the 'invisible hand' in the index of *Essays on Economics and Economists* (1994) as the 'Pricing System of Adam Smith'. Both these actions, though implicit, serve to portray Smith's 'invisible hand' as one of his central contentions and something with which his name and his books should be associated.

It can be seen through a Skinnerian engagement with Samuelson and Coase that the two authors differ quite significantly in their adherence to the standards of interpretation. Whilst Samuelson's reading can be deemed entirely incomprehensive, Coase demonstrates limited adherence. This, I believe, is the consequence of their different forms of reading. They both categorically read the 'invisible hand' as a market mechanism, however, Coase engages in what I term a 'dual-reading', differentiating between Smith's 'invisible hand' and the reception of the 'invisible hand' amongst modern economists. Coase's epistemological commitment to assessing theories by their explanatory, and not predictive, capacity ensures that his reading is historically situated. Furthermore, he commits a close, intertextual reading that accounts for Smith's entire oeuvre. Both authors, however, commit a reading that is anachronistic and in which the 'invisible hand' is discussed as a doctrine. The anachronistic element of their reading might be understood as an inevitable consequence of their drive to produce a historical lineage for a modern market mechanism. Likewise, the need to produce a historical lineage may underpin their desire to emphasise and stress the role of the 'invisible hand' in Smith's work, their doctrinisation of the phrase. Whilst the anachronism of Samuelson's reading is somewhat unsurprising, Coase's failure to adhere to this standard – despite his awareness of, and willingness to study, Smith's historical context – seems incongruous. It appears that Coase has extended his critical discussions to others that discuss the 'invisible hand' but has only been able to be partially self-reflexive.

10.3.5 'Defence of Selfishness' Reading

Milton Friedman's reading of the 'invisible hand' has had a significant and far-reaching impact. Evensky (2005b: 198) goes as far as to claim that it "has become the accepted identity of Adam

Smith among most modern economists". Like Samuelson and Coase, Friedman reads the 'invisible hand' as a modern market mechanism, specifically the pricing system that coordinates the voluntary actions of millions of people. However, Friedman adds to his reading a 'moral corollary' – he argues that due to the existence of the coordinating system of the 'invisible hand' businesses have an obligation or "social responsibility […] to use its resources and engage in activities designed to increase its profits" (Friedman, 1982: 112). Only by doing so, according to Friedman's logic, will the interests of society be promoted and the public good be achieved. In Chapter Six, I reported upon Friedman's reading and his epistemological commitments, here I undertake a Skinnerian evaluation of this engagement.

I shall begin by reflecting upon the anachronism of Friedman's reading in addition to his capacity for engaging with Smith's historical context. On these counts, he fails to adhere to the Skinnerian standards. Friedman explicitly states that an economic theory can only be considered as valid knowledge when it is able to make empirically verifiable predictions. Resultingly, Friedman attempts to 'verify' Smith's 'theory' of the 'invisible hand' by demonstrating its "extraordinary contemporaneity" (Friedman, 1977: 8). To do so, Friedman takes eight economic issues or policies from 1976 and discusses them in light of Smith's 'invisible hand'. Allegedly Smith speaks "accurately" and "devastatingly" about economic issues occurring almost 200 years *after* his death (Ibid: 4). In his attempt to demonstrate the validity of Smith's statements, Friedman – conditioned by his particular epistemological commitments – removes Smith's work from its original historical setting, bringing it in to the modern day without adequate reflection. Friedman's reading can also be seen to fail to engage with Smith's historical context. He discusses Smith's "subtle analysis of the price system", or "the self-regulating market mechanisms" and in doing so, fails to acknowledge that Smith is, in fact, responding to a particular mercantile economic system and writing prior to the concepts to which Friedman refers. In fact, Friedman goes as far to say that certain aspects of the modern economic system "make Adam Smith even more immediately relevant today" than in the previous century (Friedman, 1977: 6)

Friedman commits himself to economic theories that are predictive and empirically verifiable. In addition, he proclaims that these same theories must also be free from ethical values or moral judgements (Friedman, 1966: 4). Whilst our economic theory might inform normative or ethical decisions, the theory itself should remain independent from such considerations. It has been demonstrated that Smith primarily pursues his ethical and moral questions in *The Theory of*

Moral Sentiments. In his 1977 article, Friedman does engage with this book and even explains that his favourite Smith quote is to be found here. However, this engagement is limited. In line with his epistemological preferences, Friedman does not engage with *TMS* in order to examine Smith's explicit moral considerations, but rather does so to demonstrate that Smith's discussion of a 'natural order' can be found in both books. Friedman argues that the seed of a theory of natural order, and resulting anti-interventionism, can be found in Smith's earliest publication, *TMS,* in order to bolster his claim that it forms a central tenet of Smith's approach (Friedman, 1977: 12). The disregard of Smith's ethical concerns can also be identified in Friedman's discussion of the purpose of the 'invisible hand' or the 'price system'. We see in Smith that the 'invisible hand' is beneficial as it advances "the interest of society" (Smith, TMS, VII, IV) whereas Friedman discusses its capacity to produce material goods and uses the example of the production of "an ordinary rubber-tipped lead pencil" to demonstrate its benefits (Friedman, 2002:11). Thus, whilst Friedman does discuss and engage with *Theory of Moral Sentiments*, this engagement is limited, does not adequately acknowledge the ethical and moral discussions that take place in this publication and, ultimately, does not underpin his reading of the 'invisible hand'.

We see in Friedman's reading an understanding of the 'invisible hand' as Smith's ostensible doctrine: "Smith's great importance for today and his great achievement […] is the doctrine of the 'invisible hand'" (Friedman, 1977: 6). This is somewhat unsurprising as Friedman invokes the 'invisible hand' to underpin one of his central contentions, anti-interventionism, and thus it is in his interest to magnify the role of the phrase in Smith's work. We see in this same quote an example of Friedman committing a 'mythology of prolepsis' and ascribing 'retrospective significance' to Smith and more specifically to the 'invisible hand'. By claiming that Smith's significance as a thinker lies in his discussion of the 'invisible hand', Friedman is conflating the "necessary asymmetry" between his own account of the significance of the 'invisible hand' and Smith's account (Skinner, 1969: 23). Furthermore, by discussing the 'invisible hand' as Smith's "great achievement", Friedman implies it was in fact Smith's intention to produce such a historical significance. By conflating the phrase's historical significance with Smith's intentions, Friedman constructs a barrier to accessing Smith's real intentions in writing.

Finally, we see also in Friedman's reading a 'mythology of parochialism'. In his attempt to produce a correct description of the contents of Smith's argument, Friedman relies upon his "own familiar criteria of classification and discrimination" (Skinner, 1969: 24). This is an inescapable

element of the act of interpretation (Ibid.) and leads to him conceptualising Smith's argument "in such a way that its alien elements are dissolved into an apparent but misleading familiarity", he mis-describes the 'sense' of the work (Ibid: 27). This is best demonstrated when Friedman speaks of Smith's "subtle analysis of the price system" (Friedman, 1977: 12) and when he characterises Smith's work as contributing to the moral argument for the pursuit of profit within the capitalist system (Friedman, 2002: 112). Friedman reads, and then communicates, Smith's ideas and argument using his own pre-existing categories and classifications, resulting in the creation of a misleading familiarity. It is a 'reading in' of his own ideas, theories, conceptualisations, intentions and ideological goals into Smith's work.

When assessed against the Skinnerian standards of interpretation, Friedman's reading and associated epistemological commitments are lacking. His epistemological belief that valid knowledge must be predictive, empirically verifiable and free from ethical values underpins the anachronism of his reading, his limited engagement with Smith's entire oeuvre as well as his ignorance of Smith's historical context. Furthermore, Friedman's decision to build his call for 'Capitalism and Freedom' on the back of the 'invisible hand', underpins his discussion of the phrase as Smith's 'doctrine'. Additionally, it has led to his mis-description of the 'sense' of Smith's work as a means of more closely aligning his own theories with those of Smith. It should be noted that the work of George Stigler – the second representative author for the 'Defence of Selfishness' type – has not featured here owing to Stigler's lack of engagement with the 'invisible hand' as fully discussed in Chapter Six.

10.3.6 'Contemporary Revisionist' Reading

'Contemporary Revisionist' readings of the 'invisible hand' seek to analyse dominant interpretations of the phrase, discuss why such interpretations have arisen and, in some cases, offer alternative understandings of the term. As set out in Chapter Nine, these readings are underpinned by an epistemological commitment to revisionism, historicism, intertextuality and knowledge arising from a close and detailed reading. These readings are grouped together on the basis of their approach to reading, as opposed to their substantive meaning and thus the following discussion mirrors this difference. My Skinnerian evaluation of representative authors Kennedy and Grampp is greatly helped by their direct and explicit reflections upon their own approach to reading and interpretation.

Gavin Kennedy (2017: 92) reads the 'invisible hand' as a literary metaphor, specifically as a metaphor for the actions of "a specific merchant who preferred to invest his capital domestically". The metaphor describes how a merchant's unknowable and invisible motivations (unknowable as we are not able to mind-read) cause an unintentional but visible consequence in the wider economy. The 'invisible hand', for Kennedy, is therefore not an entity in itself but rather is employed as a literary technique to clarify and elucidate a phenomenon Smith is attempting to explain.

This reading of Smith is underpinned by Kennedy's explicitly historicist approach. His historicism results in a reading that satisfies the Skinnerian standards of not being anachronistic and understanding Smith's texts within their historical contexts. Kennedy avoids an anachronistic reading of the 'invisible hand' by reading it as a metaphor, a literary device both available and known to Smith. In fact, Smith explicitly reflected on the illuminating role of metaphors in his *Lectures on Rhetoric* (1763). Therefore, Kennedy avoids attributing to the phrase a quality or interpretation from a period to which it does not belong. Kennedy also goes to great lengths to understand Smith's works and the 'invisible hand' within the historical context of the late 1700s. To achieve an A*uthentic Account of Adam Smith* (2017), Kennedy "draws on the historical evidence from the times when [Smith] was alive and discounts with counter-evidence many of the assertions, inventions and folk beliefs that have circulated since the mid-twentieth century, and which has also produced several fantasy 'Adam Smiths'" (Ibid: 2). Here we see an acknowledgement of problematic modern engagements with the phrase as well as Kennedy's determination to 'correct' such interpretations by providing adequate historical evidence in the face of 'assertions and inventions'. Furthermore, Kennedy's reflections upon the audience for whom Smith was writing, further demonstrates his engagement with Smith's historical context. He justifies his reading of the 'invisible hand' as a clarifying and elucidating literary metaphor on the basis that those who were reading Smith may be lacking in education and thus would require further assistance and clarification in understanding complex ideas. Kennedy's adherence to these two Skinnerian standards – avoiding anachronism and reading the text within its historical context - are both underpinned by his epistemological commitment to economic knowledge that is historically-informed and embedded. In his critique of Warren J Samuels' reading of Smith, Kennedy (2017: 101) indirectly demonstrates a further epistemological commitment: his belief that adequate and valid economic research is intertextual and comprehensive in nature. This commitment underpins his comprehensive, intertextual engagement with Smith and thus his

fulfilment of this Skinnerian standard of interpretation. Kennedy's reading of the 'invisible hand' is explicitly based upon his engagement with Smith's *Lectures on Rhetoric*. Kennedy uses Smith's work in the *Lectures* to justify his understanding of the 'invisible hand' of *WON* and *TMS* as a literary metaphor: such a reading practice can be characterised as both comprehensive and intertextual. Kennedy's reading can also be demonstrated to be close, thorough and detailed. He explains and justifies his reading of the phrase as a metaphor by unpacking each of Smith's three mentions of the 'invisible hand'. He illustrates to the reader that the logic of Smith's argument – explaining the details of his example *before* employing the 'invisible hand' - is evidence that the phrase is *not* the object of the example but rather is employed in a secondary and clarifying capacity. Such a reading was achieved through a very close and detailed engagement with Smith's work, a reading that acknowledges and analyses not only the substance but also the logic and order of Smith's writing. With regard to elevating Smith's scattered remarks to the status of a doctrine, Kennedy avoids such a deficiency. In fact, he criticizes those that do so. He explains that the elevation of the 'invisible hand' into "'principles', 'theories' and 'paradigms' of markets" is in fact a failure to correspond with the writings of Smith. He goes on to question this magnification of the 'invisible hand' in light of the fact that Smith did not "appear to have taken much notice of it" (Kennedy, 2009: 240). We see that Kennedy adheres to many of the Skinnerian standards of interpretation and, furthermore, that understanding his approach to reading is made significantly easier by his explicit self-reflections on the process. An exploration of fellow representative author, William Grampp, will further demonstrate that the epistemological commitments of the contemporary revisionists underpin a reading that satisfies the Skinnerian standards.

William Grampp (2000: 441) reads the 'invisible hand' as simply the incentive a merchant has to trade domestically and understands the public good that arises from such an incentive to be the provision of defence for the nation. The provision of defence is enabled by an increase in a nation's wealth. Like Kennedy's reading, Grampp's substantive reading of the 'invisible hand' is not deemed to be anachronistic as his understanding of the phrase does not attribute it with any qualities or characteristics that were not available to Smith in his particular historical timeframe.

Grampp's approach to reading is inherently revisionist and seeks to critique dominant interpretations of the phrase as well as providing his own re-reading. One of the most striking aspects of Grampp's critique and re-reading is his refusal to award the 'invisible hand' the status of a doctrine. He readily acknowledges that the eminence of the phrase amongst modern-day

economists sits in contrast to the fact that it does not hold "a principal place in *The Wealth of Nations* or even a salient place" (Ibid: 442). And thus, Grampp categorically does not take Smith's scattered 'invisible hands' as doctrine. He takes this sentiment further by explaining that not only is the 'invisible hand' *not* a central contention of Smith's but it is not even an essential part of the arguments in which it is mentioned: the arguments "do not stand or fall with it [the invisible hand]" (Ibid.). Relatedly we also see in Grampp's work a refusal to award the 'invisible hand' a significance based on its modern-day interpretations. In other words, Grampp is careful to differentiate between the significance awarded to the phrase by Smith and the significance awarded to the phrase in modern times. He suggests that "if the attention the invisible hand has gotten is a measure of importance, it is indeed important. But that is not always a reliable measure […] in my interpretation, the invisible hand is more interesting than important" (Grampp, 2000: 441-442). It is in this way that Grampp produces a non-anachronistic reading that is also firmly based upon, and only based upon, Smith's own words. Such an approach to reading differentiates Grampp from his contemporaries. Grampp's explicit intention is to reconnect the phrase, the 'invisible hand', with Smith and what he meant by it. His justification for such a pursuit is to re-establish and 'purify' Smith's philosophical identity by highlighting false or inaccurate readings of his work. In performing such a re-reading, Grampp's work can be seen to closely align with the Skinnerian standards of interpretation. It is appropriate to quote Grampp in full to demonstrate his self-reflective approach to reading:

> *I should like to propose a way to get things straight about Smith or anyone else. It is to begin by distinguishing between (a) what the author actually said, (b) what is implied by what he said, (c) what can reasonably be inferred from it, (d) what we may conjecture he meant, (e) what he conceivably could have meant, and (f) what it would be convenient to believe he meant. The next step is to stay as close as possible to points a and b, to know that about point c the operative word is 'reasonably,' and to move as far as point d only when all else fails or never at all. Distinction e and f are left to those who […] make the study of the history of economic ideas a work of the imagination. These are steps along the straight and narrow, and they lead to the Grand Rule, grand in purpose, grand in simplicity: Get it right or leave it out.*
>
> Grampp, 2000:443

We see here an intention in Grampp to adhere to the Skinnerian standard of a close, thorough and detailed reading. Grampp's emphasis lies entirely on what is said by Smith and he attempts to re-read and re-interpret the 'invisible hand' upon only this basis. He works through the 'invisible hand' passages meticulously in order to justify his reading of the phrase as simply the incentive a

merchant has to trade domestically. Furthermore, he claims that the entire of the *WON* and its central discussions about the wealth of the nations and national defence should be accounted for when examining the meaning of Smith's phrase (Grampp, 2000: 451). Grampp's epistemological privileging of the individual economist in shaping economic history underpins this close reading approach. He believes that it is only through a detailed understanding of the work of individual economists that we might understand the history of economic thought (Carpenter & Moss, 2001: 100-101, 110). However, through his privileging of what Smith "actually said" we see in Grampp a reluctance to acknowledge or emphasise the role of Smith's historical context in the production of the meaning of the 'invisible hand' (Ibid: 443). That is to say he believes that the meaning of the phrase can be derived from only Smith's words within his publications as opposed to through an exploration of the historical, social, political context within which Smith was writing. He does not explicitly state his disinterest in the historical context; however, such a disregard can be identified by analysing his critique of the dominant interpretations of the 'invisible hand'. Writing in 2000, Grampp outlines nine different interpretations of the 'invisible hand' prior to presenting his own re-reading. He discusses each form of interpretation before discounting and discrediting them. Such dominant readings include the 'invisible hand' as 'Competition' and the 'Price Mechanism'. In order to discredit these readings Grampp draws upon Smith's own words, and only Smith's words, as the means of mounting his critique. He does not, for example, identify instances of anachronism or a failure to engage with Smith's own historical context as grounds upon which these readings are lacking. Rather, they are deemed to be lacking simply on the basis that they do not adequately engage with Smith's own words. Such a commitment can be seen in the extended quote from Grampp above. However, as a result of this commitment, Grampp fails to acknowledge or prioritise the Skinnerian standard of engaging with authors in a historically conscious way. Such an approach to reading is most likely underpinned by his epistemological privileging of the role of the individual economist as an actor in the creation of economic history, over and above contextualising historical forces. Grampp explains that too often historical accounts of economics privilege or over-emphasise the role of 'business interest', 'class interest' or 'industrial power'. Thus, it is a logical consequence of such an argument that Grampp focuses on the role of the individual, bringing them to the centre of his analysis and in turn de-emphasising the role of contextualising factors. We see here, therefore, a failure to adhere to this Skinnerian standard of interpretation.

In terms of a comprehensive engagement with Smith's works, Grampp adheres to the Skinnerian standards but firmly rejects the idea of intertextual reading. Grampp dedicates an entire section of his 2000 paper to a discussion of the 'invisible hand' of *TMS* and *HoA*. However, he premises this discussion with the explicit claim: "What I believe the invisible hand means in the *Wealth of Nations* is taken from what Smith said there and not from the way he used the words in other writings" (Grampp, 2000: 461). He outlines the use of the phrase in both *TMS* and *HoA*, with the purpose of demonstrating that the meaning of the phrase in these publications is distinct from its meaning in the *WON.* Grampp explains that those who argue there is a relationship between the three uses of the phrase, have not evidenced such a claim "from what Smith actually wrote" and in fact what exists is "three distinct ideas, each of them denoted by the same words" (Ibid: 464). Thus, we see evidence of a comprehensive engagement with Smith's entire oeuvre in addition to a close, thorough and detailed reading. However, Grampp is firm in his belief that the meaning of the phrase cannot be determined through an intertextual engagement.

We have seen in Grampp's work, like that of Kennedy's, a reading and set of associated epistemological commitments that largely correlate with the Skinnerian standards of interpretation. Notably, we see in Grampp a commitment to privileging the individual economist as an actor in the creation of history and thus, as a result, a refusal to engage with Smith's historical context as a means of understanding the 'invisible hand'. Instead, he adopts a firm and unwavering focus on Smith's own words. This is a clear demonstration of how a particular epistemological commitment determines an author's adherence to specific standards of interpretation.

10.4 Concluding Thoughts

By employing the Skinnerian standards of interpretation to evaluate the types of reading and their associated epistemologies, I have avoided a disengaged pluralism and relativism of readings. Rather, I have engaged with them in a theoretically and methodologically grounded manner, evaluating them against specific standards and "in the light of alternative views" (Dunne et al, 2013: 416). To use the words of Dunne et al (Ibid.), I am no longer simply reporting upon readings but instead I am able to identify those that provide "more comprehensive and multi dimensional accounts" of the 'invisible hand'. The Skinnerian-inspired analysis has firmly demonstrated that not all readings of the 'invisible hand' can be deemed to be comprehensive. In fact, there is significant variation in adherence to the standards amongst the types. Broadly

speaking, the ‘Defence of Selfishness’; ‘Market Mechanism’; ‘Invisible-Hand Explanation’ and ‘Spontaneous Order’ types did not satisfy the Skinnerian standards. On the other hand, the ‘Transcendental’, ‘English Historical School’ and ‘Contemporary Revisionist’ readings can each be deemed comprehensive[10].

Within these broad observations there are further, more specific, epistemological patterns. I have demonstrated that those who are epistemologically committed to economic knowledge as the result of historically-situated research, read the ‘invisible hand’ in a historically-conscious and non-anachronistic manner. Those authors that commit to holistic research have been demonstrated to engage with Smith’s works in a comprehensive manner, focusing on the entirety of his oeuvre and not simply *WON*. Authors who explicitly reflect on the need for economic knowledge to be built upon close and thorough engagements are also shown to engage with Smith in such a detailed manner. There is a further factor that seems to unite those readings that satisfy the Skinnerian standards: reflection upon the reading process itself. Whilst not an epistemological commitment, my analysis has illustrated that those authors that reflect upon their own process of reading, those that discuss this process explicitly and acknowledge it as a subjective act are more likely to adhere to the Skinnerian standards. In other words, an author’s realisation, and reflection upon, the fact that reading is neither an objective nor value-free method contributes toward the comprehensiveness of their engagement with the ‘invisible hand’.

On the other hand, a commitment to the conceptual unity of economics or the belief that knowledge ought to be judged by its predictive capacity underpins readings that are anachronistic and fail to engage with Smith in historically-situated manner. These epistemological commitments justify and enable a scholar’s decision to remove the ‘invisible hand’ from its historical context and treat it in an abstract and generalising manner. Furthermore, the decision to engage with the ‘invisible hand’ in a limited or non-comprehensive manner can be seen to be underpinned by an author’s belief that theoretical assumptions need not be stated, realistic or

[10] As stated at the beginning of the thesis, the identification of a ‘correct’ reading is categorically not the goal of the thesis, I do not aim to determine what Smith ‘actually meant’. This finding is a firm indication that a comprehensive reading (as measured against the Skinnerian standards) cannot be guaranteed to produce a single, ‘correct’ understanding of the phrase. Rather, three separate meanings have all been demonstrated to be comprehensive. One might suggest that these three readings are ‘more correct’ than the other readings if we are to equate ‘correctness’ with ‘comprehensiveness’. Of course, this would not be the case if ‘correctness’ was determined or measured in a different manner. Therefore, to avoid confusion I simply use the term ‘comprehensive’ and only make the claim that these three readings can be shown to be more comprehensive than the others.

historically accurate. Such a commitment means that there is no drive on the part of the scholar to fully unpack Smith's 'invisible hand'. Such a pattern of limited or non-comprehensive readings is also identified within those that are instrumental in their engagement with the 'invisible hand', i.e., they focus primarily on invoking the 'invisible hand' as a bolster to their own arguments or theories rather than examining or analysing the phrase itself.

Despite significant variations amongst types of reading and their associated epistemologies, six of the seven types commit Skinner's 'mythology of doctrine'. They each take Smith's scattered and infrequent mentions of the 'invisible hand' and present the phrase as one of Smith's doctrines or central contentions. There appears to be no epistemological pattern underpinning this common form of interpretation. Rather, I suggest that this 'doctrinisation', the magnification of the phrase, is an almost unescapable consequence of the authors' decisions to examine and focus upon the term. To publish an article or book centred on a single phrase, such as the 'invisible hand', almost necessitates the magnification of that phrase, the 'mythology of doctrine'. In addition, my own research approach and methods have acted as a filtering system for identifying and then including those readings that commit a 'mythology of doctrine'. My approach to selecting readings began with a JSTOR search for those that engaged with the 'invisible hand'. In a second step, I selected representative authors on the basis of the high impact of their reading and, notably, on the extent of their engagement with the term. Put simply, my methods of selection meant I was more likely to select authors that engaged with the 'invisible hand' in a significant manner as they provided ample material for analysis. Thus I have, unintentionally, selected those that are more likely to commit a 'mythology of doctrine'. A notable exception to this trend is the work of the contemporary revisionist scholars. These scholars do not commit a 'mythology of doctrine' despite their narrow and exclusive focus on the 'invisible hand'. In fact, these scholars identify the magnification of the phrase as a problematic form of engagement with Smith. It is their epistemological commitment to revisionism that underpins their identification, and rejection, of the common doctrinisation of the 'invisible hand'.

These research findings, however, pose a conundrum. We know that the 'Defence of Selfishness'; 'Market Mechanism'; 'Invisible-Hand Explanation' and, 'Spontaneous Order' types of reading fail to satisfy the Skinnerian standards. And yet, of the seven types these are the most popular interpretations according to my *NVivo* analysis. Furthermore, the 'Market Mechanism' and 'Defence of Selfishness' readings have been propelled into the mainstream and solidified within economic textbooks and university courses, in part due to the eminence of their associated

authors (Wight, 2007:341). We see here an indication that the orthodox, mainstream discipline of economics privileges readings and epistemologies that are not conducive to comprehensive readings of historical figures. For example, the widespread acceptance of, and praise for, Friedman's 'Defence of Selfishness' reading of the 'invisible hand' indicates a willingness within the orthodoxy to accept a reading that is neither close, comprehensive nor historically-situated (Liu, 2020: 1046). We may infer from this a tacit acceptance of the 'Epistemology of Reading' underpinning it, characterised by commitments that have shown here to produce a non-comprehensive reading. An exploration of the intellectual and practical-political impacts of non-comprehensive readings is, unfortunately, outside the purview of this thesis. However, what can be stated is that there is a widespread acceptance, and popularity, of readings of the 'invisible hand', and their associated epistemologies, that can be demonstrated to be non-comprehensive. This conclusion highlights the lack of significance placed upon achieving comprehensive readings of our historical predecessors within the Economic orthodoxy. This can only be to the detriment of the discipline.

Chapter 11. Conclusion

11.1 Introduction

In this thesis I have made the case for the existence of 'Epistemologies of Reading' – that is, the phenomenon of an individual's conception of knowledge – what they believe constitutes valid knowledge and how this can be attained and measured – impacting upon their reading process. I have done so by examining the multitude of readings of Adam Smith's 'invisible hand' and the different epistemologies that underpin them. Thus, I have developed a novel way of thinking about, and approach to studying, readings of historical concepts more generally and readings of Smith's 'invisible hand', more specifically. To conclude, I shall begin by briefly re-visiting my central research questions before summarising how my response to them constitute a contribution to the body of intellectual history literature in addition to that of the contemporary revisionists. Following this, I move to discuss the broader implications of my research project, I highlight that 'Epistemologies of Reading' are relevant not only in the narrow sense explored within the thesis but also when examining readings of other historical figures and concepts; readings of our contemporaries as well as for reading practices in the non-academic environment. I finish by exploring three possible future research avenues.

This thesis asks: how, and to what extent, do a researcher's epistemological commitments impact upon their reading of their historical predecessors? And more specifically, how and to what extent are the plethora of readings of Adam Smith's 'invisible hand' impacted upon by the readers' epistemological commitments? Moreover, the thesis questions and assesses the quality and rigour of these different readings and their associated epistemologies by evaluating them against a standard of 'comprehensiveness' as established through an engagement with the work of Quentin Skinner.

These research questions are built upon a particular research problem, a problem identified and conceptualised by the contemporary revisionist Smithian scholars, namely the existence of a plethora of different readings of Adam Smith's 'invisible hand'. Smith's invisible hand, from the time of his death, is invoked to produce a historical lineage, and thus justification, for a host of different theories, ideas, policies and ideologies. We are thus faced with the need to explain how the same three, static words first used by Smith in the mid-1700s are read and invoked in such drastically different manners. In responding to this particular research problem, this thesis makes

original contributions to two bodies of literature: intellectual history and contemporary revisionist.

11.2 Contribution to Intellectual History

My primary contribution to the body of intellectual history literature is the establishment of 'Epistemologies of Reading'. Those concerned by the methods of intellectual history focus upon the "construction of meaning" (Bouwsma, 1981: 283) and ask questions relating to the process of reading historical figures and texts, what impacts such readings and how they might be evaluated and improved. 'Epistemologies of Reading' represents both a general and more specific contribution to this research objective.

Firstly, in identifying epistemology as a factor that impacts upon the reading process, I make the case that intellectual historians ought to account for this when studying the readings of others. In other words, in addition to accessing the political, social and historical context of an author when assessing their reading of a historical figure or text, one should also examine their epistemological commitments. My discussions have also demonstrated the need for epistemological self-reflection, especially for those who are undertaking an intellectual history of a specific concept or historical figure.

Secondly, and more specifically, I contribute to the methodological aspect of the work of Mark Bevir and Quentin Skinner. Both scholars question the appropriate method for reaching the meaning of a given text and they each place importance on accessing the studied author's "mental world" (Skinner, 1972: 407) or "web of beliefs" (Bevir, 1999: 192). Skinner explains that to access an author's intentions in writing, and thus the meaning of their work, one must understand their "mental world", their range of beliefs. Similarly, Bevir (1999: 53-54) equates the meaning of an author's text with their "individual view points". To access this individual viewpoint, and the meaning of the work, it has to be placed within the individual's wider "web of beliefs". For both authors, placing an individual belief within its wider context enables the researcher to delimit its potential meaning, identify both possible and impossible meanings. This might be done in a historical manner – identifying what terms and concepts were either available, or not available, to the author in question. Similarly, understanding the author's ethical position enables the researcher to make an informed decision regarding what beliefs an author may have reasonably held and therefore what meaning we may reasonably attribute to their text. I claim

that to know an author's "mental world" or to access their "web of beliefs" necessitates an examination of their epistemological framework, as one element of their over-arching mental landscape. To know an author's epistemological commitments enables the researcher to delimit their potential beliefs and, relatedly, the meaning that they may reasonably attribute to their statements. Thus, in demonstrating that an author's epistemology can be accessed through the adoption of an intertextual, symptomatic reading – I make a direct contribution to the work of Bevir and Skinner, refining and clarifying the manner in which they might access this aspect of an individual's 'mental world' or 'web of beliefs' and thus the way in which they can access the meaning of an author's text.

11.3 Contribution to the Contemporary Revisionists

The contemporary revisionist scholars are united on the basis of their shared interest in examining and critiquing mainstream interpretations of Smith and the 'invisible hand'; their discussions of the best ways in which to read Smith and their related offering of revised interpretations of his work. Thus, it is due to my selection of Smith's 'invisible hand' as the centerpiece of my thesis, and the channel through which I explore 'Epistemologies of Reading' that means I sit within and 'speak to' this particular body of literature. I contribute toward the contemporary revisionist literature in three ways: firstly, I provide a comprehensive overview of readings of the 'invisible hand' from 1759 until the present day; secondly, I identify and demonstrate how specific epistemological commitments underpin each type of reading of the phrase and finally, I offer an evaluation of each of these readings, in turn, establishing what readings of the phrase might be considered most 'comprehensive'.

I have identified seven different ideal-types of reading of the 'invisible hand' from the time of Smith's publication of *The Theory of Moral Sentiments* in 1759, until the present day.
This particular research finding represents a contribution to the contemporary revisionist literature on the basis of the comprehensiveness of my research in addition to my methodological transparency. My analysis has been expansive, it has spanned 258 years and thousands of published books and articles. In addition, it has also been thorough as each type of reading has been explored using the means of a representative author, enabling in-depth analysis of how each type occurs 'in practice'. Methodologically, I have sought to be detailed and transparent, explicitly discussing each step in the research process to enable the reader to understand the production of my seven ideal-types. Thus, I have contributed a comprehensive and

methodologically transparent examination of types of reading of the ‘invisible hand’ to the body of contemporary revisionist literature on Smith.

From Chapters Three to Nine, I have demonstrated the existence of ‘Epistemologies of Reading’, the phenomenon of the epistemological commitments of a reader shaping their reading of the ‘invisible hand’. I have shown that such a conditioning effect occurs regardless of the reader’s substantive understanding of the phrase, their type of epistemological preferences, their ideological stance and the period of time within which they are writing. This finding constitutes an original contribution to the body of contemporary revisionist literature and, more specifically, an original answer to their research problematic, the existence of a plethora of different readings of the ‘invisible hand’. By identifying and presenting the impact of epistemological commitments on readings of the ‘invisible hand’, I provide a partial explanation for the existence of numerous and divergent readings. To note, I characterise the explanation as partial because an author’s epistemological commitments are only one of many potential factors that may condition their reading. In other words, I do not simply identify or observe the existence of numerous different readings but I am able to offer an account for why they exist, what underpins them and makes them distinct from one another. This represents an original contribution on the basis that the contemporary revisionist scholars themselves do not discuss or acknowledge the role of epistemology in shaping engagements with neither Smith nor the ‘invisible hand’.

In my final analysis chapter, I move to evaluate the types of readings and their associated epistemologies. This aspect of my research represents a contribution to the literature on two accounts: firstly, the presentation of a theoretically and methodologically grounded evaluation of readings of the ‘invisible hand’ and secondly, the identification of certain epistemological commitments that are both more and less likely to underpin comprehensive readings. By employing the work of Skinner, I have expanded upon and specified my initial research findings relating to the relationship between reading practices and epistemology. I have evaluated these readings in a theoretically and methodologically grounded manner, I avoid a disengaged pluralism and the resulting relativism of readings. Rather, I engage with them in a critical and meaningful way, assessing them against a set of seven standards in order to determine their ‘comprehensiveness’. Additionally, I have identified and presented the epistemological commitments that are likely to underpin both a more, and less, comprehensive reading of the ‘invisible hand’. By demonstrating that the four most popular types of reading of the ‘invisible hand’ can each be deemed non-comprehensive, I call into question the popularity and privileging

of them. Relatedly, I briefly discuss the acceptance of, and privileging of, epistemological commitments by the orthodox mainstream that do not enable, produce or require comprehensive readings of historical predecessors and their concepts.

11.4 Broader Implications of Research

On the basis of my specific research findings and contributions, I am able to extrapolate and discuss the project's more general implications. I make three contentions:

Firstly, I suggest that when exploring the readings and invocations of *any* historical concept, phrase or idea it is both relevant and important to understand such readings and invocations in light of the epistemological frameworks that underpin them. When studying readings of historical concepts, for example 'anarchy' or 'peace' which are central to the field of International Relations, analysis would be improved by acknowledging the inalienable role played by the reader's epistemological commitments in such a process. Such epistemological analysis would also serve to better understand, and call into question, the theories and practical-political policies that the reading is employed to bolster.

Secondly, I make the further suggestion that 'Epistemologies of Reading' are also evident in how we read our contemporaries and not just our historical predecessors. Reading is one of the key means through which we engage with our contemporaries, through their books and journal articles. Like engagements with our historical predecessors, reading a scholar's peer-reviewed article is neither an independent, objective or value-free act. Rather this process is impacted by a number of different factors, one of those being the reader's 'Epistemology of Reading'. Once again, acknowledging 'Epistemologies of Reading' would enable the researcher to better understand the existence of a plethora of interpretations of a single concept or idea.

Thirdly, I make a further and more ambitious claim. Reading as a means of extracting information is *not* confined to academia and exists as a daily practice throughout our school education as well as within a plethora of different workplaces, it is the basis upon which print journalism is built and is also one of the means through which the laws of our country are

debated and established.[11] Therefore, when we as researchers are reflecting on readings, of historical predecessors, contemporaries or everyday readings in the non-academic environment, whether these readings are committed by others or are our own, we should examine them in an epistemologically aware and engaged manner. Doing so would serve to increase our understanding of these reading processes and practices, and more specifically expand our ability to explore why certain readings occur, are popular, become solidified or are discounted.

11.5 Future Research Avenues

On the basis of the implications of my research, I would like to suggest three potential avenues for future research: firstly, replicating the research process for another concept; secondly, researching the political-practical implications of non-comprehensive readings and thirdly, examining the formation and solidification of particular epistemological frameworks . The former would increase the breadth of my research whilst the latter questions would increase the depth.

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[11] Anecdotally, I experienced first-hand how the epistemological conditioning of the reading process is relevant to the non-academic workplace. While working as a Committee Specialist in Parliament, my manager tasked me with writing a briefing on the basis of evidence submitted by the public. The evidence available to me ranged from peer-reviewed scientific articles to blog posts, un-evidenced personal anecdotes and stories. In producing the briefing, I limited myself to drawing upon those submitted pieces of evidence that were well-referenced, peer reviewed, provided robust evidence and used adequate sample sizes. This selection process was undoubtedly impacted upon by my own epistemological commitments and preferences, I read and then selected these pieces on the basis of my pre-existing notion of what constituted valid knowledge and thus what might be used to increase the body of valid knowledge. My manager did not agree with my selection, she was quick to question my decision to ignore the vast majority of submissions. Her reading of these submissions was quite distinct from my own, she acknowledged the validity of the personal anecdotes and stories and believed that the Committee's MPs, for whom I was writing the briefing, could learn from these submissions. The epistemological basis for her reading these submissions differed from mine and as a result we had envisioned very different ways of engaging with the evidence and thus very different briefings.

The readings of the 'invisible hand' explored within this thesis have, for the most part, been related to the fields of economics or political economy. In a future research project, I may decide to apply the research process adopted within this thesis to another important, influential and established concept, in a different discipline. For example, the concepts of 'peace' or 'anarchy' would be suitable for this project as they are each central to the discipline of IR and yet have been read and invoked in a multitude of different ways through time. Such a project would enable me to do two things. Firstly, to identify if 'Epistemologies of Reading' exist, and play a significant role, in different disciplines. Secondly, to shed light on the evolution of readings of the selected core concept, tracking its interpretation through time and examining key shifts in conjunction with its epistemological underpinnings. If the concept selected was central to its associated discipline, as the 'invisible hand' is to political economy, such a study would also serve to highlight key epistemological traditions and shifts within the evolution of the discipline itself. Ultimately, applying my approach to a concept central to an alternative discipline would enable me to provide further evidence that epistemological scrutiny is an essential element of academic practice, not merely in the field of political economy, but as a whole.

Building on my finding that certain epistemological commitments underpin non-comprehensive readings of historical predecessors, a potential further line of research would be to examine the practical-political implications of such non-comprehensive readings. As alluded to throughout the thesis, a reading of a historical figure, their concepts and ideas is rarely an independent or self-contained activity. Rather, a reading often precedes an invocation of this figure, their concepts or ideas, as doing so serves to provide a historical justification or lineage for the reader's own theories, policies or prescriptions. With regard to Smith and the 'invisible hand' specifically, one might research what types of economic policy prescriptions have arisen from non-comprehensive readings. Are there patterns or commonalities to be identified within these policy prescriptions? Or, in other words, is there a certain type of economic policy that a non-comprehensive reading of Smith might underpin? More generally, it would be of interest to explore the practical, political, social and economic consequences of non-comprehensive readings of our historical predecessors in the field of Political Economy and beyond. Identifying such consequences would serve to highlight the role that 'reading' plays in the production of 'real-world' actions. And relatedly, would serve to further emphasise the need to critically evaluate these readings by incorporating epistemological scrutiny into our analysis.

A final alternative research avenue would be to examine the process by which an individual comes to hold particular epistemological commitments and preferences. Doing so would serve to increase the depth of my current research project; in addition to identifying an individual's epistemological commitments through an intertextual, symptomatic approach I would be able to explore how these commitments came about. Such a project may be centred around the following questions: What factors affect an individual's epistemological framework? Is it possible to change or adapt one's epistemological commitments? Are particular epistemological frameworks shared by groups of academics? Is there epistemological 'gate keeping' at play in particular disciplines, ensuring epistemological 'purity'? Such research questions might be answered by adopting the methods of sociological network analysis, discourse analysis and by holding interviews. A research project that sought to answer the above questions would increase the depth of this project by examining the emergence and solidification of certain epistemological commitments. Such research may even enable the researcher to identify ways in which our epistemological assumptions can be adapted to achieve the goal of accurate and comprehensive readings and interpretations. This would be a contribution to the work of Skinner and the discipline of intellectual history more broadly: in addition to proposing certain approaches or methods by which we may achieve accurate interpretations we may also propose particular 'Epistemologies of Reading' that too could increase our capacity for accurate interpretations.

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