Adam Smith on Teleology and the Stationary State: A Rejoinder

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In his original article Kleer claimed that Smith's teleological system applies to his economics. In my reply I stated that this system is incompatible with Smith's view of the inevitable emergence of the stationary state because in this state the 'ends of nature' were not satisfied. In his reply Kleer responds in various ways. Three points should be highlighted from these responses.

The first issue is *definitional*. For Kleer, a short 'Smithian' definition of an 'end' is suitable for ordinary discussions: an 'end' is a thing (say procreation) which is desirable in itself – its increase is always desired. The full definition of an end, however, is required in discussions of the stationary state: an 'end' is the quantity of a thing which emerges from a constrained-maximisation calculation (Kleer mentions an ecological constraint in this regard). Thus the end of procreation is an actual *number* of human beings: a number which is the maximum achievable subject to land scarcity. *If* this is a valid notion, Smith's teleological system, at least theoretically, may be coherently combined with a stationary state.

Is there any foundation for this notion of 'an end' in Smith? A fundamental piece of evidence for Kleer's view is Smith's statement that the 'all-wise Being' directs nature so as to produce 'the greatest possible quantity of happiness' (Smith [1759] 1976, VI.ii.3.2). Thus far, I am not convinced by this evidence. The context of the quotation given above seems to me merely to suggest that 'at all times' God seeks to maximise happiness; there is no mention of God being limited by any constraint (*ibid*). To be convincing, Kleer would need to provide a more precise account of Smith's view of 'an end.' At present, it seems more like Kleer's understanding of an end rather than Smith's.

The second issue is: w*hich ends* do we evaluate? Initially, Kleer says that 'nature aims for broad success in all its [five] ends,' but after turning to the stationary state, Kleer says that 'maximising happiness' becomes the end that 'encompasses all others' (Kleer 2004, p. 148). In this simplified, constrained-maximisation problem, there is only one relevant end and one constraint. Hence, Kleer effectively abandons the other ends of nature. Everything rests on the 'quantity of happiness' being greater in the stationary state than in the progressive state. Some complex and controversial social welfare calculations would be required to test this; such calculations cannot be undertaken here. Nevertheless, my provisional view is that such a calculation would not support Kleer's view that the stationary state (that is, one with a large, fixed population and a low wage) provides a higher 'quantity' of social welfare than the corresponding 'quantity' in the progressive state (one with a moderate, but growing, population and high wage).

Kleer's final suggestion seems the most plausible: Smith 'failed to recognise [that] the concept of a stationary state was inconsistent with his larger teleological system' (Kleer 2004, p. 148). Despite the problem of the stationary state, I believe that Kleer's teleological interpretation has much to offer.

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References

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