

# The Divine and the Political Economy

Odysseas Kopsidas  
University of Piraeus, Piraeus, Greece

The Invisible Hand Of Divine Providence in Christian Theology leads mankind continuously with teleological aim. Adam Smith's "Invisible Hand of Political Economy" leads society to the highest level of prosperity, where the benefits of households, businesses and the state are optimized. Adam Smith, influenced by the Theology of Augustine and Thomas Aquinas, transfers the Hand of Divine Providence to economic life and lets individuals function on the basis of their own interest and the "sympathy" governing their economic relations. Two patterns run at the same time. The economic circuit is driven by the good choice of the invisible hand, and mankind is driven by the good providence of God. The purpose of our work is to present this coincidence of the two "long hands" of God and the Economy and the influences that the Philosophy of Ethical Emotions of Political Economy has received from Theology.

*Keywords:* invisible hand, political economy, divine providence, Adam Smith

## Introduction

The philosophy of Thomas Aquinas is founded on Christian doctrines. Its basis is divine revelation and mysteries. Specifically, in terms of ontology, Aquinas follows an Aristotelian version of Albert's philosophy, with deviations either to Platonic philosophy or to Christian teaching. One of the main concepts that are dealt with is the concept of essence. As a substance is defined what does not belong to something else as a basis of its existence but exists as a subject and a carrier of energies (Bonar, 1895).

Creation is a work of free divine will. God governs and rules everything for a certain purpose. This is the divine providence. Therefore, God not only creates but preserves and moves beings. The Divine Providence is contemplating and not at all. It extends to the entire individual in a direct way, so that the world is governed in a perfect way. Aquinas, however, examines how the excellent and perfect arrangement of the world can be reconciled to the existence of evil (Buchan, 2006). His answer to this question is that Divine Providence does not impose the absence of evil from the world. The perfection of the world, he says, requires different degrees of goodness in all creations, species, and genera. Many goods would not exist if there was no harm. Thus, from persecution and sufferings, patience appears, from one's birth to the birth of another. Evil exists to serve the good (Buchholz, 1999).

## The Invisible Hand of Political Economy

The Invisible Hand is a movement that Adam Smith used to describe the principle of "enlightened

---

Odysseas Kopsidas, Ph.D., Department of Industrial Management and Technology, University of Piraeus, Piraeus, Greece.

Correspondence concerning this paper should be addressed to Odysseas Kopsidas, Department of Industrial Management and Technology, University of Piraeus, Karaloli & Dimitriou 80, Piraeus 18534, Greece.

self-interest". Today this principle is associated with psychological selfishness. In the "Wealth of Nations", Adam Smith claims that, within the system of capitalism, a person acting for his personal interest tends to promote the interest of his community as well. This principle attributed it to the social mechanism he called "Invisible Hand".

Every person necessarily works to make the annual income of society as much as possible. In general, he does not seek to promote the common interest, nor does he know how much he promotes it. Preferring the support of his own labor rather than foreign, he seeks only his own security and directing this labor in such a way that his product has as much as possible, is driven by an invisible hand to pursue a goal that was not part of his intentions. In pursuing his or her own interest, it often promotes this society more effectively than when it really seeks to promote it (Bussing-Burks, 2003).

According to Smith there are six psychological motives that are combined in each individual to promote the common good. In *the Theory of Ethical Emotions*, Volume II, p. 316, he says "By acting according to the imperatives of our moral functions, we necessarily seek the most effective way to promote the happiness of mankind."

A modern example of such a phenomenon is the massive social benefit generated by the spread of computers, goods produced mainly by people trying to maximize their economic profit. These producers did not build the computers for the sake of humanity or an altruistic desire to promote the collective property of society. Any social benefit that emerges, according to Smith's theory, is simply a consequence of their attempt for personal reward.

### **Adam Smith and the Political Economy**

Smith published *The Theory of Ethical Emotions* in 1759, incorporating some of his lectures in Glasgow. The subject of this work was how human morality depends on the sympathy between the actor and the viewer, or between the independent and other members of society. Smith defined "mutual sympathy" as the basis of moral emotions. He based his interpretation not on a particular "moral sense", as did the Lord Shaftesbury and Hutcheson, nor on the benefit of Hume, but on mutual sympathy, a term best described in contemporary language by the term emotional identification, i.e. the ability to recognize the emotions that another person expresses (Campbell & Skinner, 1985).

### **Conclusion**

Adam Smith's social and economic philosophy is by nature a theological and the whole model of his social structure logically depends on the concept of God's action in nature.

However, Adam Smith was a close friend and later executor of the will of David Hume, who was usually characterized as an atheist in his era. The publication of Adam Smith's letter to William Strahan in 1777, describing Hume's courage to his imminent death despite the lack of religious faith, has attracted considerable controversy.

Smith's statement on the benefits of an "Invisible Hand" is obviously intended to respond to Bernard Madeville's claim of "private sins" that can be turned into "public benefits". It demonstrates Smith's belief that when a person pursues his own self-interest, he directly promotes the good of society. Self-competition in the free market, he argued, will tend to reward society as a whole by keeping prices low while incentives for a wide variety of goods and services are being built.

Still, he was cautious of the entrepreneurs and warned of “their conspiracy against the public or some other trick with which they can raise prices”. On several occasions, Smith has reported the unfair nature of business interests that can form squabbles or monopolies, defining the highest price that can be spoiled by buyers.

### References

- Bonar, J. (1895). *A catalogue of the library of Adam Smith*. London: Macmillan. OCLC 2320634.
- Buchan, J. (2006). *The authentic Adam Smith: His life and ideas*. W. W. Norton & Company. ISBN: 0-393-06121-3.
- Buchholz, T. (1999). *New ideas from dead economists: An introduction to modern economic thought*. Penguin Books, ISBN: 0-14-028313-7.
- Bussing-Burks, M. (2003). *Influential economists*. Minneapolis: The Oliver Press. ISBN: 1-881508-72-2.
- Campbell, R. H., & Skinner, A. S. (1985). *Adam Smith*. Routledge. ISBN: 0-7099-3473-4.
- Coase, R. H. (October, 1976). Adam Smith's view of man. *The Journal of Law and Economics*, 19(3), 529-546.  
doi:10.1086/466886