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SMITH AT 300: UNIVERSAL HUMAN NATURE, THE DIVISION OF LABOR, AND AFRICAN DEVELOPMENT

BY
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> "Since such, therefore, are the advantages of water-carriage, it is natural that the first improvements of art and industry should be made where this conveniency opens the whole world for a market to the produce of every sort of labour, and that they should always be much later in extending themselves into the inland parts of the country. … All the inland parts of Africa, and all that part of Asia which lies any considerable way north of the Euxine and Caspian seas, the antient Scythia, the modern Tartary and Siberia, seem in all ages of the world to have been in the same barbarous and uncivilized state in which we find them at present. … There are in Africa none of those great inlets, such as the Baltic and Adriatic seas in Europe, the Mediterranean and Euxine seas in both Europe and Asia, and the gulphs of Arabia, Persia, India, Bengal, and Siam, in Asia, to carry maritime commerce into the interior parts of that great continent: and the great rivers of Africa are at too great a distance from one another to give occasion to any considerable inland navigation."
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> *WN* I.iii.4–8

Like his close friend David Hume, Adam Smith did not believe that the lower level of development of "art and industry" in African as compared with European nations in the eighteenth century was a coincidence. Smith sought explanation for this in the principle, which can be regarded as forming the backbone of his entire theory of development laid out in *The Wealth of Nations* (and formulated before in his lectures), according to which "the division of labour is limited by the extent of the market" (*WN* I.iii). The meaning of what Smith called "the extent of the market" is elucidated in the short but crucial third chapter of *The Wealth of Nations*: "extent of the market" is synonymous with "power of exchanging," and the latter is determined, for a nation, originally by its geographic

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circumstances. Water carriage is essential to engage in trade to any large extent, hence the presence of navigable rivers—not too far apart—and of smaller seas and lakes in the territory that a nation inhabits is what principally determines this nation's "power of exchanging." Since it is the extent of that power that conditions to what degree the division of labor can be developed, and the division of labor is what principally conditions the development of arts and sciences and the increasingly efficient production of commodities and services, it is these geographical circumstances that, initially, determine whether nations will progress or stagnate. While the idea that the division of labor fosters productivity and is conditioned by what Smith termed the "extent of the market" had been written about for millennia before *The Wealth of Nations* was composed (for a selection, see Sun 2005, 2012), it has long been neglected in modern economics. Smith arguably gave us its most elaborate formulation.

By contrast with Smith, Hume had sought explanation for the lesser development of Africa as compared with Europe in racial determinism. Much has thus been written about an infamous footnote in Hume's essay "Of National Characters," in which he said to be "apt to suspect the negroes and in general all other species of man, (for there are four or five different kinds)"—and, in a revised version of the footnote, more specifically only "the negroes"—to be "naturally inferior to the whites" (see Popkin 1977–78; Immerwahr 1992; Garrett 2000; Sebastiani and Garrett 2017). "[N]o arts, no sciences" could be observed among them, Hume continued, while "the most rude and barbarous of the whites … have still something eminent about them"; and this could not be coincidence, but must be due to a difference in nature. A much greater number of passages marking Blacks as naturally inferior to Whites can be found in the writings of other major Enlightenment philosophers, such as Voltaire and Immanuel Kant (Mikkelsen 2013; Harvey 2012).

Remarkably, not a single passage manifesting such an essentialist view of human differences can be found in the writings of Smith, and indeed none that describe human differences in racial terms. While Smith noted great differences in the culture of "savage" and "civilised" peoples, these were without exception explained by the differing circumstances of their existence—and these terms were used by Smith not as atemporal characterizations of particular nations but to describe their momentary level of progress (development), which could change through time (as would their culture as a result). Just as all humans were born equal in capacity, with negligible natural differences, and remained essentially indistinguishable "for the first six or eight years of their existence," so different nations around the globe were made up of the same individuals born very similar to every other individual in the world and growing up to become different by differing circumstances only. And the principal circumstance singled out by Smith to explain these differences, among individuals as among nations, was the division of labor. It is the division of labor that makes children of the same ilk develop into porters and philosophers (*WN* I.ii.4), and it is the division of labor, insofar as it is limited by the extent of the market, that determines whether nations progress or stay at a low level of development.

Like Hume, Smith was wrong in supposing that "[a]ll the inland parts of Africa … seem in all ages of the world to have been in the same barbarous and uncivilized state" (think only of the thirteenth- to seventeenth-century Empire of Mali, then one of the wealthiest nations around the globe, with Timbuktu one of the principal centres of learning of the medieval world). Yet his explanation for the lower level of economic

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development in Africa as compared with Europe, based on the idea that the division of labor is limited by the extent of the market, was one that upheld the essential equality of Africans to Europeans, against the descriptions of Africans and other "non-white" people as being naturally inferior to "whites" by fellow Enlightenment philosophers and a great many scholars throughout the nineteenth century and well into the twentieth.

COMPETING INTERESTS

The author declares no competing interests exist.

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