



Anna Markwart

Nicolaus Copernicus University, Toruń, Poland

ORCID: 0000-0002-2449-1292

e-mail: markwart.anna@gmail.com

## Adam Smith on Institutions for Instruction\*

DOI: <http://dx.doi.org/10.12775/RF.2018.026>

Though Adam Smith (1723–1790) never wrote any work that would be dedicated solely to the subject of education, and he never provided a full account of his views on that matter. This issue, widely understood, can be traced and connected to diverse elements of his thought. Smith considered education as one of the government responsibilities and presented an extensive discussion on institutions for instruction and methods of financing them in *An Inquiry into the Nature and Causes of the Wealth of Nations*. He also mentioned the subject numerous times in his *Lectures on Jurisprudence* whose content we are familiar with owing to his published students' notes. Education, also widely understood as an informal, social process of learning, plays an essential role in a number of the philosopher's works.<sup>1</sup> A description of the role of sympathy and imagination in the process of giving moral judgements and learning what is proper and what is improper is one of the central themes of the *Theory of Moral Sentiments*. Smith's writings concerning the imitative arts ensure us that education is a factor influencing the appreciation of imitation and art. Moreover, as the philosopher noticed in the *History of Astronomy*, surprise and wonder are a motivation to learn and come up with new sci-

---

\* The research was financed from the assets awarded by The National Science Centre, Poland, for the post-doctoral internship upon the decision no. 2016/20/S/HS1/00071.

<sup>1</sup> Jack R. Weinstein, *Adam Smith's Pluralism. Rationality, Education and the Moral Sentiments* (Yale University Press, New Haven & London: Yale University Press, 2013), 175–177; idem, "Adam Smith's Philosophy of Education," *The Adam Smith Review*, no. 3 (2007): 57.

entific theories, as we feel uneasy when we lack a proper explanation of phenomena we perceive. Yet, the remarks made by Smith on the subject of education are rarely discussed by scholars.<sup>2</sup>

Adam Smith was not only a student but also a teacher. His experiences from the universities he attended and lectured at are reflected in his remarks concerning the organisation and financing of universities. Having attended the Burgh School of Kirkcaldy from 1729 to 1737, the future author of the *Theory of Moral Sentiments* entered the University of Glasgow.<sup>3</sup> Subsequently, Smith studied at the Balliol College in Oxford which he left in 1746. His career as a teacher commenced in Edinburgh, where he gave lectures from 1748 to 1751. For the longest period of his teaching and participating in various institutional activities at universities was at the University of Glasgow, from 1751 to 1764, where he first gave lectures on logic and later on took over the position of the head of Moral Philosophy. Smith was teaching courses on various subjects as well as actively participated in administrative activities of the university.<sup>4</sup> He resigned due to having taken the position of young Duke of Buccleuch's tutor whom he accompanied in his tour around continental Europe from 1764 to 1768. Having gained such varied experience, in his works, the author of the *Wealth of Nations* was able to draw conclusions and form his own opinions on positive and negative aspects of the educational institutions of his time.

## Adam Smith's Views on the Question of Universities

Adam Smith's positive impression of the University of Glasgow which he gained as a student also lasted due to his experience as a teacher and an employee. His lectures were highly appreciated by students. During his own studies he, amongst others, attended lectures on moral philoso-

---

<sup>2</sup> Jack R. Weinstein, "Adam Smith's Philosophy of Education", 51–52. Weinstein also states that education was of no special interest to Smith. Other scholars notice that Smith never created a positive theory of education (see Knud Haakonsen, *The Science of a Legislator. The Natural Jurisprudence of David Hume and Adam Smith* (Cambridge: Cambridge University Press, 1999), 122) and that it is '...an important subject for Smith, though its economic dimension seems relatively small' (P.N. Teixeira, "Dr Smith and the moderns: Adam Smith and the development of human capital theory," *Adam Smith Review*, no. 3 (2007): 151) – whereas Skinner emphasized that Smith's remarks on education have to be discussed in the context of his economy (Andrew Skinner, *Adam Smith: Education as a Public Service*, Glasgow: University of Glasgow Discussion Papers in Economics, no. 9117 (1995), 3).

<sup>3</sup> John Rae, *Life of Adam Smith* (London: DODO Press, 2007).

<sup>4</sup> Andrew Skinner, *Adam Smith: Liberalism and Education* (Glasgow: University of Glasgow Discussion Papers in Economics, 1990), 3.

phy given by Francis Hutcheson whose influence on Smith's thought can be clearly noticed.<sup>5</sup>

The Scottish universities of that time are considered to have operated in a quite modern way, providing high quality of education.<sup>6</sup> Already in the 18<sup>th</sup>, century the Scots introduced classes conducted in English instead of Latin and professors taught given courses to different students instead of being responsible for teaching all the courses for the whole year – giving lecturers the possibility to specialize in more narrow fields.<sup>7</sup> They also followed a method of paying salaries that the author of the *Wealth of Nations* approved.<sup>8</sup> As he mentioned: “In some universities the salary makes but a part, and frequently but a small part of the emoluments of the teacher, of which the greater part arises from the honoraries or fees of his pupils.”<sup>9</sup> Thus, the amount of a teacher's wages depended on how many students attended their lectures and that latter facture depended highly (as Smith assumed) on the quality of classes they provided. We may infer that according to Smith students tend to choose the classes they are able to gain most benefit from, those with best teachers who keep expanding their knowledge and are able to give interesting lectures instead of e.g.: reading aloud. On the other hand, as Smith pointed out:

In other universities the teacher is prohibited from receiving any honorary or fee from his pupils, and his salary constitutes the whole of the revenue which he derives from his office. His interest is, in this case, set as directly in opposition to his duty as it is possible to set it. It is the interest of every man to live as much at his ease as he can; and if his emoluments are to be precisely the same, whether he does, or does not perform some very laborious duty, it is certainly his interest, at least as interest is vulgarly understood, either to neglect it altogether, or, if he is subject to some authority which will not suffer him to do this, to perform it in as careless and slovenly a manner as that authority will permit. [...] In the university of Oxford, the greater part of the publick professors have, for these many years, given up altogether even the pretence of teaching.<sup>10</sup>

---

<sup>5</sup> William R. Scott, *Adam Smith as Student and Professor* (New York: A.M. Kelley, 1965), 31–32; Nicholas Phillipson, *Adam Smith. An Enlightenment Life* (London: Penguin Books, 2010), 42–43.

<sup>6</sup> *Ibidem*, 79–81.

<sup>7</sup> Christopher J. Berry, *Social Theory of the Scottish Enlightenment* (Edinburgh: Edinburgh University Press, 1997), 15.

<sup>8</sup> Ernest C. Mossner, Ian S. Ross (eds.), *The Glasgow Edition of the Works and Correspondence of Adam Smith*, vol. 6: *Correspondence* (Indianapolis: Liberty Fund, 1987), 177–174.

<sup>9</sup> Adam Smith, *An Inquiry into the Nature and Causes of Wealth of Nations*, eds. R.H. Campbell, A.S. Skinner, (Indianapolis: Liberty Fund, 1981), vol. 2, 760.

<sup>10</sup> *Ibidem*.

As teachers were not obliged to develop their research nor were they forced in any way to focus on providing interesting classes, they were able to act in a way that required little effort. To phrase it in the simplest possible way: teachers, if allowed to do so, can be lazy. That is why the philosopher was against funding fixed high salaries for teachers. Smith noticed not only the lack of financial motivation to do one's job in a thorough way (as the financial gratification did not depend on that factor) but also the fact that it was a common interest of the whole group of teachers to save the status quo.<sup>11</sup>

Acting in a way that requires the smallest possible effort does not result from the unique character of the teachers' profession. It seems to be a pattern of behaviour typical of human beings. According to the author of the *Wealth of Nations*, people tend to allocate their resources in such a way that can bring them most profit with the lowest effort. We are self-interested (obviously, it is not the only characteristic of a man, yet, in this case it plays a major role) and we want to live in a comfortable way.

It needs to be noted that such a tendency does not have to be treated as a flaw: many inventions and ameliorations partially result from it as people tend to figure out methods that make their work easier and more efficient. The philosopher addressed this issue in the *Theory of Moral Sentiments*, stating<sup>12</sup> that it is the Nature that deceives us so that we would work hard benefiting from the society and its development: we admire the wealthy and want to live the way they do and be given the same respect they receive, but the way to achieve it is frequently through hard work. In consequence, the effort we invest exceeds the benefits we can cherish afterwards. According to Smith,

In every profession, the exertion of the greater part of those who exercise it, is always in proportion to the necessity they are under of making that exertion. This necessity is greatest with those to whom the emoluments of their profession are the only source from which they expect their fortune, or even their ordinary revenue and subsistence. In order to acquire this fortune, or even to get this subsistence, they must, in the course of a year, execute a certain quantity of work of a known value; and, where the competition is free, the rivalry of competitors, who are all endeavouring to justle one another out of employment, obliges every man to endeavour to execute his work with a certain degree of exactness. The greatness of the objects which are to be acquired by success in some particular professions may, no doubt, sometimes animate the exertion of a few men of extraordinary spirit and ambition. Great objects, however, are evidently not necessary in order to occasion the greatest exertions. Rivalship and

---

<sup>11</sup> Ibidem, 763.

<sup>12</sup> Adam Smith, *The Theory of Moral Sentiments* (Indianapolis: Liberty Fund, 1982), 181–183.

emulation render excellency, even in mean professions, an object of ambition, and frequently occasion the very greatest exertions. Great objects, on the contrary, alone and unsupported by the necessity of application, have seldom been sufficient to occasion any considerable exertion.<sup>13</sup>

I believe such a view is consistent with the thinker's views expressed not only in the *Wealth of Nations*, but also in the *Theory of Moral Sentiments*: if we are to engage in a given activity, we need to be motivated to do that. Smith pointed out that, contrary to numerous university professors with fixed salaries, private teachers usually update their knowledge, improve competencies and tend to teach things that correspond with the current state of knowledge and circumstances, as well as those required by students – university teachers frequently have no motivation to do that.

It needs to be remembered that people are not that easy to characterise. We cannot state that it is only the salary that motivates them to perform their duties properly. There are numerous other factors, for example the passion for a certain profession, curiosity (e.g.: people create scientific theories and look for answers in order to soothe imagination and explain what stands behind the surprise they experience),<sup>14</sup> other people's wellbeing, etc. People are not purely self-interested as they are not perfect altruists. However, I believe Smith looked for a solution that could be introduced on the institutional level and he assumed that the one that could be used was the economic one. Similar arguments can be introduced to those appearing when explaining the use of wealth as a criterion for establishing social hierarchy (wealth is easy to spot and, therefore, a practical way of establishing hierarchy) or for appealing to self-interest when trying to buy or sell something on the market (as the famous quotation that names the butcher and the brewer tells us,<sup>15</sup> we do appeal to self-interest in such transactions). I would like to point out a similarity to the interpretation of how we operate on the market. We have a different kind of a relation with a seller than with a friend. According to the author of the *Wealth of Nations*, we communicate with other people when trading; we base on the assumption that people want to earn money. As James Otteson pointed out, it does not mean that this is the only factor that motivates them or that they are rationally calculating everything, being egoistic in every decision they make. Their will to

---

<sup>13</sup> Idem, *An Inquiry into the Nature and Causes of Wealth of Nations*, vol. 2, 759.

<sup>14</sup> Idem, "The History of Astronomy," in *Essays on Philosophical Subjects*, ed. W.P.D. Wightman, J.C. Bryce, (Indianapolis: Liberty Fund, 1982), 34–37.

<sup>15</sup> Idem, *The Inquiry into the Nature and Causes of the Wealth of Nations*, vol. 1, 26–27.

trade is characteristic of human beings and appealing to someone's self-interest is natural.<sup>16</sup>

In my opinion, a similar remark can be made about the organisation of financing universities, as suggested by Adam Smith: there are many motivations that can drive people to study, teach, do research. I assume we have no control over someone's interests, passions, or morality. It would be hard to find an efficient way to augment the level of education other than using financial leverage. Method of funding salaries and criteria of gaining them can be controlled and established, as it was suggested before, in a way in which the level of payment would depend on the quality of the work provided. It is much easier to achieve that if institutions and people would be forced to compete: "In the same context he argued in favour of free movement of students between teachers and institutions as a means of inducing teachers to provide appropriate services".<sup>17</sup>

Adam Smith noticed that universities have an advantage over private teachers that leads to the deterioration of the quality of their services. Amongst reasons why students are willing to attend universities is the fact that state exams, licences for certain professions, or university degrees which can be obtained only at those institutions.<sup>18</sup> This can be compared to monopolies, when discussing market conditions. Regardless of the quality, students who wish to perform certain jobs need to gain university education even if private teachers would provide them with more knowledge. This results in a decrease of the quality of both, university teaching (as there is no need to compete) and private teaching (as there is no motivation, since students will choose the university anyways).

The question that remains, in my opinion, is how to convince students to choose the classes that are most valuable and not just fashionable or simple. According to Smith, only children need to be forced to learn; yet people over twelve or thirteen years old are internally motivated by interesting classes.<sup>19</sup> It needs to be said that such an approach is an overoptimistic one. A solution that might solve the difficulty could be the objective exams – as in public schools mentioned in the *Wealth of Nations*. However, the author himself was not in favour of such a solution as he criticized the idea of introducing compulsory exams and require-

---

<sup>16</sup> James R. Otteson, *Adam Smith's Marketplace of Life* (Cambridge: Cambridge University Press, 2002), 150; Otteson, *Adam Smith* (New York: Bloomsbury, 2013), 95–96; Pratap B. Mehta, "Self-Interest and Other Interests," in K. Haakonssen (ed.), *The Cambridge Companion to Adam Smith* (New York: Cambridge University Press, 2006).

<sup>17</sup> Andrew Skinner, "Adam Smith: Liberalism and Education", 18.

<sup>18</sup> Skinner, *Adam Smith: Education as a Public Service*, 13; Adam Smith, *An Inquiry into the Nature and Causes of Wealth of Nations*, vol. 2, 762.

<sup>19</sup> Smith, *An Inquiry into the Nature and Causes of Wealth of Nations*, vol. 2, 764.

ment of at least two years of higher education in the case of doctors as he thought that there are numerous private teachers who can prepare a student for a job better than a university.<sup>20</sup> This inconsistency seems to be one of the weakest points of Smith's views. What is more, I think when it comes to the subject of physicians, there is not enough room for mistakes so leaving it for the market to verify who a skilled doctor is might end up in harming people, especially those who would choose mostly on the basis of the criterion of price – this issue was never considered by the author of the *Wealth of Nations*. I believe Smith is too optimistic in his appreciation of private classes, contrasting them with university education he himself received.

Knowing how to motivate people we can design universities in such a way that would be most beneficial to the society and individuals. As Ortmann stated in his paper:

Smith suggested that, due to the nature of higher education at his time, neither a desirable quality of teaching nor innovative curricula would be forthcoming if emoluments would be drawn from public endowments without concern for performance. Being rather skeptical of third party enforcement through administrators, Smith favored reputational enforcement through market forces. His underlying conceptualization of the academic was that of the intellectual entrepreneur – with books and publications possibly as loss leaders. While Smith was concerned about the incentive problems created.<sup>21</sup>

In my opinion, Adam Smith provided an interesting analysis that merges the philosophy of education with market conditions especially in the context of his views on education consistent with his remarks on how market operates. Moreover, Smith's views base on the view on human nature present in his works: treating human beings as being driven by a wide variety of motivations. Yet, his remarks have certain weaknesses that should not be ignored and should be considered in the context of his thought. The existing institutions do not provide enough motivation to teachers or researchers, and only competition can change it.<sup>22</sup> Smith never excluded the role of the state in creating education institutions. We need to particularly remember that not everything can rely on competition:

---

<sup>20</sup> Skinner, *Adam Smith: Education as a Public Service*, 10–11; Smith, "Letter 143," in *The Glasgow Edition of the Works and Correspondence of Adam Smith*.

<sup>21</sup> Andreas Ortmann, „How to Survive in Postindustrial Environments: Adam Smith's Advice for Today's Colleges and Universities," *The Journal of Higher Education* 68, no. 5 (Sept.–Oct., 1997): 495.

<sup>22</sup> Skinner, *Adam Smith: Education as a Public Service*, 13.

The parts of education which are commonly taught in universities, it may, perhaps, be said are not very well taught. But had it not been for those institutions they would not have been commonly taught at all, and both the individual and the publick would have suffered a good deal from the want of those important parts of education.<sup>23</sup>

A list of critical remarks concerning the Scottish philosopher's analysis of universities organisation was provided by Charles G. Leathers and J. Patrick Raines in their paper *Adam Smith's (weak) case for fee incomes for university faculty and student-consumer sovereignty*. The authors argue that

...attempts to base proposals to make universities function more like customer-friendly firms on Smith's analysis and criticisms of universities' behaviour in *Wealth of Nations* rest on an invalid presumption, namely that Smith presented particularly strong case for a dependency on incomes from class fees for university faculty members and student-consumer sovereignty.<sup>24</sup>

In the paper, they presented certain inconsistencies and weak points of Smith's analysis noticing that, for example, University of Glasgow cannot be treated as an example of a model institution, as its students were not always behaving properly. Moreover, its students had a poor choice of public classes. In fact, they had more freedom to select teachers or subjects only when it came to private courses. Another point made is that Glasgow University was financed from numerous sources and students' fees made actually little difference.<sup>25</sup> Yet, I believe it is hard to judge the university level solely on the basis of its students' behaviour. And the idea of the choice of classes seems to rather strengthen Smith's argument. His appreciation for this University does not mean that the University itself was organised in a way perfectly coherent with Smith's views – it is rather the case that it was better evaluated than Oxford and could serve as an example of certain systematic solutions that Smith approved of.

---

<sup>23</sup> Smith, *An Inquiry into the Nature and Causes of Wealth of Nations*, vol. 2, 765.

<sup>24</sup> Charles G. Leathers and J. Patrick Raines, "Adam Smith's (weak) case for fee incomes for university faculty and student-consumer sovereignty," *The Adam Smith Review*, no. 3 (2007): 119–120.

<sup>25</sup> Leathers, Raines, "Adam Smith's (weak) case", 125–127, 132.

## Education of Women and Professional Training

There are no publick institutions for the education of women, and there is accordingly nothing useless, absurd, or fantastical in the common course of their education. They are taught what their parents or guardians judge it necessary or useful for them to learn; and they are taught nothing else. Every part of their education tends evidently to some useful purpose; either to improve the natural attractions of their person, or to form their mind to reserve, to modesty, to chastity, and to oeconomy: to render them both likely to become the mistresses of a family, and to behave properly when they have become such. In every part of her life a woman feels some conveniency or advantage from every part of her education.<sup>26</sup>

It may sound like a choice of the lesser evil, especially because the philosopher provides us with some examples of efficient education such as education that women receive. However, we can see how few aspects of women's education were covered this way. Education received in such a way can be compared to professional training rather than to university education.

In my opinion, Smith instead of suggesting that education should be private leaving, argued for the betterment of the institutional solutions as we need to remember that only the rich can afford private teachers and people would probably pay only for the classes that prepare them for their future occupation. Smith distinguished between education and professional training, with the assumption that the latter one brings students direct profits – future job; therefore, it does not have to be sponsored by the state or institutionally organised, since, as I phrase it, it can be treated a sort of an investment. According to the philosopher,

There are some trades which need no apprenticeship [...] But a smith, a taylor, or a weaver can not learn their trade of themselves all at once. They must be content for some time to learn of a master, and during this time they must be satisfied to work to no profit either to themselves, their master, or any one else. They will in this time destroy or spoil a good deal of materials before they can do the work in an tollerable manner; for these also he must recompense his master, which occasions an apprentice fee During all this time he can do nothing to his own maintenance, but must be maintaind by his parents. Now the life of a young man when he leaves his apprenticeship is worth at most but about 10 or 12 years purchase. His wages therefore afterwards must be such as will not only

---

<sup>26</sup> Smith, *The Inquiry into the Nature and Causes of the Wealth of Nations*, vol. 2, 781.

maintain him, but will in ten or 12 years time repay him this expence of his education.<sup>27</sup>

Moreover, while “Whereas training serves commercial purposes – not an unimportant role in Smith’s view – education serves to make people better,”<sup>28</sup>; therefore, its institutions are to be organised and financed in a way different than public institutions for instruction. Such a view is coherent with his arguments for the existence of publicly funded infrastructure and for the existence of public education.<sup>29</sup>

## Education of Children and Adults

Adam Smith, when considering the responsibilities of the government, listed education amongst them. The *Wealth of Nations* provides us with several arguments supporting such an idea concerning not only all children’s access to education, but also organising constant education for adult workers.

According to Adam Smith, children have similar capacities, as he stated:

The difference of natural talents in different men is, in reality, much less than we are aware of; and the very different genius which appears to distinguish men of different professions, when grown up to maturity, is not upon many occasions so much the cause, as the effect of the division of labour. The difference between the most dissimilar characters, between a philosopher and a common street porter, for example, seems to arise not so much from nature, as from habit, custom, and education. When they came into the world, and for the first six or eight years of their existence, they were, perhaps, very much alike, and neither their parents nor play-fellows could perceive any remarkable difference. About that age, or soon after, they come to be employed in very different occupations. The difference of talents comes then to be taken notice of, and widens by degrees, till at last the vanity of the philosopher is willing to acknowledge scarce any resemblance.<sup>30</sup>

Smith provided us with a very interesting account: people have similar potential and these are their occupation, socialisation, and education they receive that form their skills and not the other way around. This shows us how important the circumstances we live in are. The oppor-

---

<sup>27</sup> Smith, *Lectures in Jurisprudence*, ed. R.L. Meek, D.D. Raphael, P.G. Stein (Indianapolis: Liberty Fund, 1982), 354.

<sup>28</sup> Weinstein, *Adam Smith’s Pluralism*, 216.

<sup>29</sup> This question will be discussed further in the paper.

<sup>30</sup> Smith, *An Inquiry into the Nature and Causes of Wealth of Nations*, vol. 1, 28–29.

tunities we meet and things we do shape our skills. We can assume that according to Smith human beings are strongly shaped by conditions. It seems that education people receive plays the major role since it allows them to gain certain capacities and, together with experience they get and social relations they enter, shapes them and their lives. Though Smith never suggested it should be compulsory, he advocates schooling of children available to all of them, since it would provide them with a possibility to learn how to read, write, and count. Especially significant is that he treats children as curious and willing to learn.<sup>31</sup>

Another issue he raises is constant education of adults. The division of labour, which plays an essential role in Smith's moral theory, gives not only positive outcome but also negative repercussions. Workers who keep performing repetitive, specialised and limited tasks become, according to the philosopher, isolated. Their minds operate less efficiently, they may even become unable to have a conversation. Their moral faculties keep on deteriorating, they become close-minded, their courage decreases. People who lack education are more susceptible to religious enthusiasm (which Smith was quite critical of). In order to prevent the occurrence of the above mentioned processes, the author of the *Wealth of Nations* proposed participation in cultural activities and constant education that would allow keeping their minds active. This proves again how the job performed and circumstances strongly shape people and affect not only their abilities to work, but also their morality. Again, I believe education plays a major role. We can

...note Smith's advocacy of a *compulsory* programme of elementary and of higher education. It is also significant that Smith's advocacy of such a programme was rooted in a perceived need to offset social costs of the division of labour and that in particular the programme was intended not only to preserve a capacity for moral judgement, but also to support the individual in his role as a citizen.<sup>32</sup>

This way institutions for instruction become a part of the solution to some of the problems created by the economic progress.

Although, as Emma Rothschild shows in her paper, Smith never said that universal education would lead to economic progress (it is rather the other way around), economic progress demands education.<sup>33</sup> According to Skinner, „Smith recognised the point that in the modern state it is critically important that the citizen be vigilant, informed, above all else – educated, in the broad sense of that term, if an adequate

<sup>31</sup> Emma Rothschild, „Condorcet and Adam Smith on Education and Instruction,” in Rorty, A.O. (ed.) *Philosophers on Education* (London: Routledge 1998), 220.

<sup>32</sup> Skinner, *Adam Smith: Education as a Public Service*, 9.

<sup>33</sup> Rothschild, *Condorcet and Adam Smith on Education and Instruction*, 212.

standard of political behaviour is to be sustained."<sup>34</sup> These are not the only benefits for the state from having educated citizens: they are more courageous, more open to changing employment, they meet current needs and are better informed, and less likely to become religious fanatics, etc.

Since the state benefits from having educated citizens (even if it is not the main goal of education, it is a very desired consequence), it can be used as an argument for financing education for both children and adults who are not able to simply afford it. Smith argued for such universal education that would be co-financed by the state. As Weinstein argued:

Despite his call for some competition, Smith also argues that education serves the needs of the wider community, and the public must therefore bear a proportion of the expense; Smith does not say how much. The poor should receive incentives to educate themselves and their children, a prescription that is sure to increase the financial burden on the community. Herein lay the difficulties in Smith's economics of education. His overall theory suggests a wider public responsibility toward educating the working classes, but he is vague as to what those responsibilities might be. Furthermore, his comments on the duties of the sovereign may be read as supporting either more or fewer public subsidies for schooling. Which position one takes depends very much on a wide range of interpretive positions.<sup>35</sup>

Smith noticed that it would not be possible for everyone to cover the costs of children education. He was aware of the fact that the poor would never be educated as well as the wealthy and the great. The need to support oneself limits the possibility of long-term education that would not guarantee a profitable occupation. Yet, the philosopher assumed that creating schools that would charge just a small fee would encourage workers to send their children to school,<sup>36</sup> even if they themselves had very little time to spend on education.

A wide group of citizens is not able to afford covering full cost of education therefore universal education requires state's intervention. This leaves us with certain inconsistency, as

The expense of educating youth should be met either from the general revenue of society or from the parents or guardians of the beneficiaries. Smith found himself in a bind here, as he believed that services offered in return by teachers for a salary, paid by taxation, private endowments,

---

<sup>34</sup> Skinner, *Adam Smith: Liberalism and Education*, 28.

<sup>35</sup> Weinstein, *Adam Smith's Pluralism. Rationality, Education, and the Moral Sentiments*, 186.

<sup>36</sup> Andrew Skinner, *Adam Smith: Education as a Public Service*, 7.

charities or legacies, would deteriorate to the point of indifference in their quality.<sup>37</sup>

On the other hand, only such a solution could be effective when it comes to creating a system of universal education and wide access to institutions for instruction, instead of a model that would allow only the rich to attend schools. In Smith's remarks, the two apparently contradictory solutions meet. And we are given a view of a model of co-financed education that is far from being perfect but may serve as a compromise between wide access and high quality of classes, as it is very hard to provide both. Yet, it does not mean we should not try to find a solution that would be reasonable.

## Conclusions

Adam Smith's remarks concerning education provide us with a discussion of methods for financing education that would result in the best possible level of classes and education of citizens. The philosopher argued in favour of competition between schools, universities, and teachers, as it, in opposition to fixed salaries and stable stipends that attached students to given universities, stimulates teachers to prepare valuable lectures. Yet, not only private teachers are the solution Smith leaves us with. The matter of educating people, for the sake of individuals and the society, is way too important to simply leave it to the market to regulate. Yes, competition is good, but there is a need to create institutions that would teach those who are not able to fully pay for their education and provide classes not profitable enough for private teachers. All that leads us to establishing the system of schools that would be co-financed by the state and paying salaries to teachers, the factors that would, on the one hand, make it possible for every child to learn and, on the other hand, not allow the teachers to become lazy and incompetent. I believe such an approach is coherent with Smith's economic views.

Another issue is to be underlined. Smith's remarks on education, however scattered and not extensive, are, in my opinion, deeply rooted in his philosophy. He not only uses market mechanisms and competition as partial solutions to the problem of the quality of teaching. The philosopher seeks for the roots of the issue discussed in human nature. As we can see in both the *Theory of Moral Sentiments* and the *Wealth of Nations*, people, when it comes to market transactions and work, act according to their self-interest and wish to have a comfortable life. If

---

<sup>37</sup> Gavin Kennedy, *Adam Smith. A Moral Philosopher and His Political Economy* (New York: Palgrave Macmillan, 2010), 169.

they can achieve it with little effort – they tend to do so. On the other hand, human beings can be driven by numerous other factors, such as curiosity, benevolence, the will to learn etc.

One of the most interesting aspects of Smith's discussion of education, apart from the organisation of its institutions is the matter of their importance. Smith shows us, though he does not underline it explicitly, that the conditions and institutions (such as work performed and schools attended) play a crucial role in shaping human beings. Their influence is not limited to expanding their knowledge. It also affects moral growth and development of people's skills and talents. If so, individuals should be deeply interested in organising education in the best possible way.

## Bibliography

- Berry, Christopher J. *Social Theory of the Scottish Enlightenment*. Edinburgh: Edinburgh University Press, 1997.
- Haakonsen, Knud. *The Science of a Legislator. The Natural Jurisprudence of David Hume and Adam Smith*. Cambridge: Cambridge University Press, 1999.
- Kennedy, Gavin. *Adam Smith. A Moral Philosopher and His Political Economy*. New York: Palgrave Macmillan, 2010.
- Leathers, Charles G. and Raines, J. Patrick. "Adam Smith's (weak) case for fee incomes for university faculty and student-consumer sovereignty." *The Adam Smith Review*, no. 3 (2007): 119–133.
- Mehta, Pratap B. "Self-Interest and Other Interests." In K. Haakonssen (ed.). *The Cambridge Companion to Adam Smith*, New York: Cambridge University Press, 2006.
- Ortmann, Andreas. „How to Survive in Postindustrial Environments: Adam Smith's Advice for Today's Colleges and Universities." *The Journal of Higher Education* 68, no. 5 (September–October 1997): 483–501.
- Otteson, James R. *Adam Smith*. New York: Bloomsbury, 2013.
- Otteson, James R. *Adam Smith's Marketplace of Life*. Cambridge: Cambridge University Press, 2002.
- Phillipson, Nicholas. *Adam Smith. An Enlightenment Life*. London: Penguin Books, 2010.
- Rae, John. *Life of Adam Smith*. London: DODO Press, 2007.
- Rothschild, Emma. "Condorcet and Adam Smith on Education and Instruction." In A.O. Rorty (ed.). *Philosophers on Education*. London: Routledge, 1998.
- Scott, William R. *Adam Smith as Student and Professor*. New York: A.M. Kelley, 1965.
- Skinner, Andrew. *Adam Smith: Education as a Public Service*. Glasgow: University of Glasgow Discussion Papers in Economics, no. 9117, 1995.

- Skinner, Andrew. *Adam Smith: Liberalism and Education*. Glasgow: University of Glasgow Discussion Papers in Economics, 1990.
- Smith, Adam. *An Inquiry into the Nature and Causes of Wealth of Nations*, R. H. Campbell, A.S. Skinner (eds.), Indianapolis: Liberty Fund, 1981.
- Smith, Adam. *Lectures in Jurisprudence*. R. L. Meek, D. D. Raphael, P. G. Stein (eds.), Indianapolis: Liberty Fund, 1982.
- Smith, Adam. "The History of Astronomy." In *Essays on Philosophical Subjects*. W.P.D. Wightman, J.C. Bryce (eds.), Indianapolis: Liberty Fund, 1982.
- Smith, Adam. *The Theory of Moral Sentiments*. Indianapolis: Liberty Fund, 1982.
- Teixeira, Pedro N. "Dr Smith and the moderns: Adam Smith and the development of human capital theory." *Adam Smith Review*, no. 3, (2007): 139–148.
- Weinstein, Jack R. "Adam Smith's Philosophy of Education." *The Adam Smith Review*, no. 3 (2007): 51–74.
- Weinstein, Jack R. *Adam Smith's Pluralism. Rationality, Education and the Moral Sentiments*. New Haven & London: Yale University Press, 2013.

## Summary

Adam Smith's remarks concerning education and its institutions, though they occupy no significant place in his works, are, in fact, deeply grounded in his theory. The philosopher criticized teachers' fixed salaries assuming that it competition among them would encourage them to prepare interesting and useful classes. He was in favour of competition among universities and wrote favourably of private teachers. At the same time, he argued in favour of co-financing education by the state, as universal education for children and possibility to keep workers' minds active are not only beneficial to individuals, but also to the state.

**Keywords:** Adam Smith, education, institutions for instruction, universities

## Streszczenie

### Adam Smith o instytucjach służących kształceniu

Chociaż uwagi Adama Smitha dotyczące edukacji i instytucji jej służących nie zajmują wiele miejsca w jego dziełach, to jednak są mocno zakorzenione w jego teorii. Filozof krytykował stałe pensje nauczycieli, przyjmując, że współzawodnictwo pomiędzy nimi wymusi na nich przygotowywanie interesujących i pożytecznych zajęć. Był zwolennikiem rywalizacji między uniwersytetami i pochylnie wyrażał się o prywatnych nauczycielach. Obstawiał jednak zarazem przy współfinansowaniu edukacji przez państwo, ponieważ powszechna nauka

dzieci i możliwość zajęcia umysłu przez robotników są korzystne nie tylko dla pojedynczych ludzi, ale też dla państwa.

**Słowa kluczowe:** Adam Smith, edukacja, formalne kształcenie, uniwersytety