



Why Adam Smith favoured public education

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Contrary to popular opinion, he was not a free market apologist

- The authority of Adam Smith is frequently invoked by supporters of the free market, who argue for extending the market forces to all conceivable goods and services and eliminating any kind of government intervention in markets.
- However, Smith's *The Theory of Moral Sentiments* and *An Inquiry into the Nature and Causes of the Wealth of Nations* make it clear that he was not a laissez faire or free market capitalism apologist.

Favouring liberal capitalism

- Smith favoured liberal capitalism over the extant socio-economic arrangement (elements of feudalism and mercantilism).
- While feudalism was characterised by the rule of the nobility/landowners, mercantilism was characterised by state monopoly over trade.
- The East India Company was an example of the latter.
- It is in this historical context that Smith called for the state to withdraw its monopolistic interventions in both external and internal commerce.
- Contrary to public opinion, Smith presupposed the government provision of legal infrastructure, defence, transport infrastructure and education for the proper functioning of liberal capitalism.
- The appropriators of Smith also forget his telling commentary on the role of power in society.
- One aspect of this relates to the power employers have over workers.
- The second aspect relates to the inequality of power, expressed in the form of status and ranks.

Education is not a commodity

- Smith conceived of education in a broad manner.

- Education for Smith not only includes the “study of wisdom” but also the learning of good moral sentiments such as virtue, sympathy, gratitude and benevolence.
- Since Smith considered education as central to a flourishing society, he did not treat it as a commodity.
- Smith advocated accessible education for the entire class of workers, which constitutes the majority of the population.
- In fact, he advocated compulsory education for them so that it offsets part of the debilitating effects from the division of labour.
- Smith also believed that education would empower the citizens to make wise decisions which contribute to the “safety of the government”.
- Yet another reason is that education positively affects customary wages, which over time, would increase workers’ real wages.
- It would therefore be wise to take heed of Smith’s views on education, which comprise both the learning of “wisdom” and “moral sentiments”, and not only strengthen but also expand India’s public education system.

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