Twitter Thread by @AdamSmithWorks



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#WealthOfNations I.ii is all about the secret sauce origin story: why does the division of labor happen in the first place? #AdamSmith illustrates (in part) with doggos to hold our attention. (I.ii.2,5) ■ #WealthOfTweets #SmithTweets #DoggosDontTrade

Divsion of labor, Smith said yesterday, is responsible for a whole heckuva lot. But who thought of it? Nobody! It's "not originally the effect of any human wisdom, which foresees and intends that general opulence to which it gives occasion." (I.ii.1) #WealthOfTweets #SmithTweets

There's no mastermind behind economic exchange, our "propensity to truck, barter, and exchange one thing for another" (I.ii.1) arises out of our natural tendency to persuade one another and better our condition. #WealthOfTweets #SmithTweets

Yeah, there's a lot in that first paragraph. #WealthOfTweets #SmithTweets

You know what's coming, right? ■■■ Butchers, brewers, bakers: they don't make us things because they love us. They're not our moms. (I.ii.2) #WealthOfTweets #SmithTweets

Instead, we persuade them (with money! ■■■) that it's best for them to provide what we want. Everybody wins! (I.ii.2) #WealthOfTweets #SmithTweets

This may sound cynical, but this kind of cooperation is all we've got, says Smith. The world's not made of moms. We have to connect to others by division of labor. (I.ii.2) #WealthOfTweets #SmithTweets

In "civilized"—economically developed—society, we can't be atomistic. Development only happens with division of labor, and division of labor puts us "at all times in need of the co-operation and assistance of great multitudes." (I.ii.2) #WealthOfTweets #SmithTweets

Of course, our interdependence means that we each hold a kind of power over each other. That leaves us vulnerable if the system collapses. So we'd better hope that the market system is heckin' robust. (I.ii.2) #WealthOfTweets #SmithTweets

We are so dependent on one another and our ability to persuade each other to help us through the market, rather than through personal appeals, that even a beggar can't rely entirely on the kindness of others. (I.ii.2) #WealthOfTweets #SmithTweets #WeAreAllConnected

Beggars might depend on the kindness of strangers to get money, but then they have to spend it to get the things they need. They use the market, just like the rest of us. (I.ii.2) #WealthOfTweets #SmithTweets

OK, apparently the second paragraph is a doozey, too. (I.ii.2) That's just how this book rolls. #WealthOfTweets #SmithTweets

All well and good, you're probably thinking by now, but I was promised dogs. WHERE ARE THE DOGS? Well, they're not trading with each other, we can tell you that much. ■■■■■■ (I.ii.2) #WealthOfTweets #SmithTweets #DoggosDontTrade



This matters a lot! Dogs can make frens at the park, but otherwise they are useless to each other, no matter how different their skills are. But people are more useful to each other the more different we become! (I.ii.5) #WealthOfTweets #SmithTweets #DoggosDontTrade

Here's Smith at his best: What makes us different from each other? Basically, the division of labor. Not our family, our wealth, our nation, or our power. We're born equal, and our habits, customs, and education determine where we end up.

(I.ii.4) #WealthOfTweets #SmithTweets

So markets and the division of labor emerge because we get good at stuff and help each other out. Division of labor makes us more different from one another. Markets make those differences the basis for cooperation. (I.ii.1–5) #WealthOfTweets #SmithTweets

Tomorrow, one of @Econtalker 's favorite sections of #WealthOfNations. Stay tuned, Smithketeers! We'll see you then!