

Life and Economics

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According to an anecdote that modernizes a story told by Plutarch in his *Lives*, an exhausted U.S. banker was found resting in a small fishing village on the Yucatecan Gulf Coast of Mexico. Every day he watched a fisherman set out to sea at daybreak, returning with a few fish and then he stayed in his hammock, amusing himself by spending time with his children and playing the guitar with his friends. The banker asked the fisherman if he would like him to help him build a great fishing business. The fisherman seemed to be interested, so the banker went on: he could get a group of investors together, you could buy several boats, and you could set up a big fishing business, including processing, canning and distribution. You could strike it rich, but you'd have to move to Mexico City or to Los Angeles. And how long would it take to do all of that, asked the fisherman? About fifteen or twenty years, responded the banker. And then what? That's the best part, said the banker: when the time is right we will register your business on the stock market and you will become an immensely wealthy man. Millions? And what then? With a big smile, the banker responded: "Well, with that money you could retire, go out to sea in your boat, spend hours lying in your hammock, amuse yourself spending time with your children and play the guitar with your friends".

The circularity of the anecdote evokes much of life's absurdity and obliges one to reflect on the why and wherefore of that life. Although there are thousands of books devoted to this theme, the majority of these self-help, perhaps the last place that one would expect great lessons in this matter is in a text by Adam Smith, the renowned intellectual of capitalism who in 1776 published his famous work *The Wealth of Nations*. Russ Roberts has just published an amusing book that translates Smith's concepts presented in a book printed in 1759 entitled *The Theory of Moral Sentiments*. Roberts' current book, *How Adam Smith Can Change Your Life**, claims Smith's concepts for modern life.

As one could intuit from the initial anecdote, the entire sense of Smith's work, seemingly contrary to the myths associated with his most famous book, is the futility of money as the pathway to achieving happiness. Beyond a critique of materialism, *Sentiments* addresses the capacity that we humans possess to beguile ourselves with the seduction exercised by money, power and fame. "Those seductions never satisfy". Smith's great insight, says Roberts, is that "our behavior is driven by an imaginary interaction with an impartial spectator". We do not judge ourselves by our principles but by what that imaginary companion thinks of our acting. That "spectator" makes us see whatever deviation there is with respect to our own code of behavior.

The core point that Roberts extracts from Smith's text is that "economics is about something more than money. From there, Smith's book becomes a roadmap for each individual to find his own happiness. Despite the natural avarice of humans, Smith affirms that man is profoundly moral. "How selfish soever man may be supposed, there are evidently some principles in his nature, which interest him in the fortune of others, and render their happiness necessary to him".

For an author inexorably associated with the ruthless creation of wealth as something not only meritorious but also absolutely legitimate, *Sentiments* affords a much richer perspective of the vision of Adam Smith.

Russ Roberts dedicates his book to explaining the logic of the “book of manners” that Smith wrote through chapters entitled as follows: “How to know yourself?”, “How to be happy”, “How to not fool yourself”. In his most well-known book, *Wealth*, Smith writes nothing about altruism, kindness or compassion. How could that be? Roberts asks himself.

The bridge between the two books, and between morality and economics, which Robert discovers is to be found in the notion that selfishness can lead to others being benefited. Men “are led by an invisible hand to make nearly the same distribution of the necessities of life, which would have been made, had the earth have been divided into equal portions among all its inhabitants, and this without intending it, without knowing it, advance the interests of the society, and afford means to the multiplication of the species”. Economics and morality end up being two sides of the same coin that are, in the last analysis, inseparable.

The next president of the National University

For many decades after 1968, the UNAM was abandoned as a place of political turmoil and the government’s objective was no more than to isolate the country from the brewing and permanent conflict rather than building a transcendent educational capacity. A better leadership and thrust over recent years has sought to reconcile the two characteristics of the national university: an institution for the masses with the mandate to educate over two hundred thousand students and the institution of excellence that characterizes many of its research institutes. The next president will be key because he or she will determine whether the UNAM returns to the era of conflict or consolidates what has been achieved and takes the decisive step towards the transformation that education, the economy and the country require to successfully enter the twenty-first century.

Of all the candidates for the presidency only one has the future in his sight and a project to advance it. Sergio Alcocer has extensive experience both in and outside the UNAM and has the cosmopolitan vision that is indispensable to match the professional side of the institution with the labor market demand, while he also understands well the link between basic and applied science.

**How Adam Smith Can Change Your Life, Penguin*

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