Adam Smith on Value-based Vocational Education and Training

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Abstract
Often Adam Smith is associated with value-free economic logic. Consequently, vocational training alone would have the character of a professional investment. On the other hand, there is the concept of value-based vocational training, although its aspects are controversial. With Adam Smith the (religious) commitment to values in professional training is self-evident, which becomes clear, for example, in the emphasis on the sense of duty and the admonition to adhere to the 7th commandment. Even though Smith does not use the word “vocation”, his use of the term “profession” shows how much he is influenced by the Reformation and the belief in the probation of human life in everyday life and in the family. And for Smith it is obviously self-evident too that the moral values that are necessary today to build a prosperous economy and counteract the dangers of the modern division of labor must first be anchored and cultivated there - before it becomes an important task for schools and universities.

Keywords: Adam Smith, education, vocational training, vocation, values, profession, reformation, division of labor

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I. Vocational and Business Education and Adam Smith
For someone steeped in contemporary ideas about vocational education, obviously it is a risk to engage with, or even be inspired by, Adam Smith. The fact that Adam Smith is not listed among the otherwise very wide-ranging "major works of pedagogy" (Böhm, Fuchs, and Sechter 2011: V-IX) would also require caution here, although his observations on education were a standard for successive educational reform programs in both England and France (Rothschild 1998: 209). And even in the field of vocational and business education, he is not necessarily to be anticipated. Though in the context of an economically oriented perspective, a look at Adam Smith as the "founder of modern economics" (Ambrosi 1990: 414) or "father of economics" (Muijnck and Tieleman 2021: 196), should actually have been part of what was expected. That being said, today, some people will find it particularly problematic to think about Adam Smith, education and vocational training from a theological perspective. However, the following observations should show that this was not always the case and that there are good reasons to remember it.
In view of the limitations of space and time, no investigations can be made that could claim to be complete; only a few prominent points can be discussed. From today's popular point of view, Adam Smith is clearly perceived as a defining figure of the market economy, which concentrates and sharpens rational economic thinking. In this context, our first question is whether vocational training is of any value.

II. Investment in Education: Is Vocational Education Valuable?

Today, the question of whether vocational training is valuable is not a very original question. It is currently being studied extensively in many countries and for many areas worldwide. Spalletti (2014) has taken up this issue in relation to Adam Smith, pointing out that the importance of knowledge and human resources plays a crucial role in explaining growth. Now, just like before Ambrosi (1990: 421), he sees Adam Smith as a stimulus for modern educational economics and develops Smith's treatment of educational economics from the point of view of "the nature" of human capital, its sources and a cost-benefit criteria in the evaluation of educational decisions (Spalletti 2014: 60). In this connection, Spalletti points out that in his very popular “An Inquiry into the Nature and Causes of the Wealth of Nations” Smith wants to consider personal (human) capital as a fixed capital, e.g., as a machine or a trading instrument. Because we can read in Smith:

“When any expensive machine is erected, the extraordinary work to be performed by it before it is worn out, it must be expected, will replace the capital laid out upon it, with at least the ordinary profits. A man educated at the expense of much labour and time to any of those employments which require extraordinary dexterity and skill, may be compared to one of those expensive machines. The work which he learns to perform, it must be expected, over and above the usual wages of common labour, will replace to him the whole expense of his education, with at least the ordinary profits of an equally valuable capital. It must do this, too, in a reasonable time, regard being had to the very uncertain duration of human life, in the same manner as to the more certain duration of the machine. The difference between the wages of skilled labour and those of common labour is founded upon this principle“ (Soares 2007: 140).

Smith points out that, just as with the entrepreneurial investment in machines, in education or training, as in a capital investment, costs are expended, capital is stored and a profit is generated, namely from:

“the acquired and useful abilities of all the inhabitants or members of the society. The acquisition of such talents, by the maintenance of the acquirer during his education, study, or apprenticeship, always costs a real expense, which is a capital fixed and realized, as it were, in his person. Those talents, as they make a part of his fortune, so do they likewise of that of the society to which he belongs. The improved dexterity of a workman may be considered in the same light as a machine or instrument of trade which facilitates and abridges labour, and which, though it costs a certain expense, repays that expense with a profit“ (Soares 2007: 352).

Smith does not, however, illustrate this question with more precise calculations, etc., but maintains that the reason for investing in working skills is the expectation of an income that is
“above the usual wages of the usual work” (Soares 2007: 140). And that should appear quite plausible in the context of maximizing profits. According to Spalletti, rates of return can be represented graphically by comparing the flow of revenues over a specialized and non-specialized working life. However, he also thinks that the only small profit from the training efforts assumed by Smith would contradict a convincing comparison of investments in “human resources” and in “capital goods.” Thomas proposes a stronger positive relation between education and the increase in real wages, especially when education is broadly defined as value-oriented (Thomas 2018:113). However, e.g., Rothschild (1998: 211f.) expresses her reservations with respect to this observation.

According to Spalletti, Adam Smith himself appears to be less interested in dealing with micro-investments in human capital, arguably for him the economic value of education in terms of the growth of the economic system is more relevant (Spalletti 2014: 62). This view does not need to be discussed further here. Spalletti sees the consequences of this thinking in the economic policies of the 1960s and early 1970s, according which theoretical foundations for increased public spending on higher education were installed (Spalletti 2014: 64). Instead, Spalletti’s choice to limit Smith’s contributions to vocational education and training to his Wealth of Nations, and thus narrowing it down to the economic-rational value of profit maximization, should be abandoned and a broader perspective accepted.

III. The Need for Values in Vocational Education and Training
The conviction that the field of vocational education and training should be based on values is shared in the pedagogical disciplines and business education (Heid 1995:29). However, it stands in contrast to an alleged “value-free” economic rationality – or the distance between value orientation and objective science once demanded by Max Weber in the interest of “value-free science” (Weber 1922a:451ff.). And with regard to values and education, the Humboldt educational ideal is often linked in the German-speaking area (Humboldt 1980:235f.).

As far as the training centers, i.e., the schools, are concerned, they should only aim for general human education; for “the needs of life or an individual’s trade” special training is required (Humboldt 1969a:188). There is certain knowledge that is general, and a certain formation of attitudes and character should not be lacking. As everyone is apparently “only a good craftsman, merchant, soldier and businessman if he is a good, decent, enlightened person and citizen without regard to his special profession.” If the school lessons give him what is necessary for this, then, later, he will acquire the special skills of his profession very easily and always retains the freedom to change from one (profession) to the other (Humboldt 1969b:218).

Even if in a technological civilization it is not the classic, but only a revised, fundamentally “recast theory” of education that can contribute to clarifying the state of human beings (Greb 2009:1), Leiber rightly emphasizes that, on the one hand, personality development is a general human right and an indispensable one. It is part of a humanistic ideal of education, and that, on the other hand, personality development is a fundamentally lifelong process, and that personal skills are at least as important for individual development and success on the job market as special and methodological skills. In addition, Quenzel and Hurrelmann (2010:17) emphasize
that, in view of the increasing complexity of modernity, which has not only taken place in the professional area, there is the need to “meet the increased need for problem-solving skills.”

However, Leiber (2016:17) complaints that personality development (Persönlichkeitsbildung) is given little logistical and methodological consideration in the curriculum, studies and teaching. Personality development is only weakly integrated into a systematic quality development as methodically planned, implemented through (causal) teaching-learning processes, checked (criteria) and further developed. And finally, according to Greb (2009:21), apart from a few exceptions, a constitutive relevance of the concept of education (Bildung) in the didactic concepts “neither in a positive nor in a negative sense” can be determined. Overall, according to Leiber (2016:4), it holds that, today, a uniform definition of education across different research areas and everyday understandings – at least so far – does not seem to be available.

The goal of any vocational education and training would have to remain undefined. The question would also have to remain unanswered as to how effective and convincing vocational education and training can be realized in this way. Apparently, this marks a deficit in the modern world. However, for Adam Smith, who as a deist was distant from traditional religion, values were still firmly anchored in the religious worldview.

IV. Adam Smith and Religious Education as the Basis of Vocational Value Education

The importance of Smith's religious orientation as a professor of moral philosophy is often not recognized. It is obviously the so-called Adam Smith problem that obscures the view of his actual thinking. The Adam Smith problem says that Smith fell into the cult of “naked egoism” (Kirsch 1988:172), after the lack of resonance of the sensitive “sympathy concept” in his The Theory of Moral Sentiments of 1759, or after his travels in France, as seemed clearly to be seen in his Wealth of Nations. However, there is sufficient evidence that the two books should not be viewed separately. Because even after writing his Wealth of Nations, Smith identifies himself with The Theory of Moral Sentiments and, again and again, he revises the text for further editions (Streminger 1999:133f.). When he published the sixth edition of Theory in 1789, his Wealth of Nations had already been on the market for thirteen years (Raphael 1976:20). For this reason, it is essential, also with regard to Smith's position on the question of vocational education and training and the values associated with it, not only to rely on the legitimate but only partially informative view of the Wealth of Nations, but also to look at the Theory. The Theory is shaped by Smith's firm conviction that all the inhabitants of the universe are “under the immediate care and protection of that great, benevolent, and all-wise Being, who directs all the movements of nature; and who is determined, by his own unalterable perfections, to maintain in it, at all times, the greatest possible quantity of happiness” (Smith 1812:413). In doing so, Smith wants to hold this idea as by far the most sublime of all objects of human contemplation (Smith 1812:416).

Evidently Smith's thinking is overshadowed by the conviction that all events in this world are being providentially directed by a wise, mighty, and good God, and that one can be sure that whatever happened is contributed to the prosperity and perfection of the whole (Smith 1812:485). And so Smith is convinced that the administration of the great system of the universe, “the care of the universal happiness of all rational and sensible beings, is the business of God and not of man. To man is allotted a much humbler department, but one much more suitable to the
weakness of his powers, and to the narrowness of his comprehension; the care of his own happiness, of that of his family, his friends, his country.” (Smith 1812: 416). According to Smith, in order to accomplish this task, man was evidently given a "moral sense" to guide his behavior in this life (Smith 1812:281). Therefore, according to Smith, the rules which this "moral sense" prescribes must be regarded as the commandments and laws of Deity (Smith 1812:283).

Against this background, it is not surprising that Smith, despite his extensive criticism of religion and the religious servants (Soares 2007:980ff.), credits religion with an astonishingly high degree of influence (Soares 2007:972). Evidently it is religion on its own that afforded such strong motives for the practice of virtue, although in Smith's perspective, independently of any particular religious influence, the “sole principle and motive of our conduct in the performance of all those different duties, ought to be a sense that God has commanded us to perform them.” (Smith 1812:293ff.). According to Smith, religion tends to give greater force to the natural sense of duty; and hence it is that men in general are apt to place great confidence in the righteousness of those

“who seem deeply impressed with religious sentiments. Such persons, they imagine, act under an additional tie, besides those which regulate the conduct of other men. The regard to the propriety of action, as well as to reputation, the regard to the applause of his own breast, as well as to that of others, are motives which they suppose have the influence over the religious man, as over the man of the world. But the former lies under another restraint, and never acts deliberately but as in the preference of that Great Superior who is finally to recompense him according to his deeds. A greater trust is reposed, upon this account, in the regularity and exactness of his conduct” (Smith 1812:292).

The importance of the development of such qualities in the professional world does not need to be explained in detail now. All in all, Smith states “uniformity of faith, the fervour of devotion, the spirit of order, regularity, and austere morals” as the goal of religious orientation (Soares 2007:972). The negative consequences of a lack of morality to the economic performance do not need any further discussion here. It may suffice here to keep in mind that a private economic system simply cannot exist without a sustained and urgent recognition and cultivation of the 7th commandment ("Thou shalt not steal"). Therefore, Smith's demand that schools for religious education should be state-funded is also entirely consistent, although their purpose is not to make people good citizens in this world, “as to prepare them for another and a better world in a life to come” (Soares 2007:980).

V. Adam Smith and the Reformation Reorientation in Vocational Training

Some remarks on religious schools and Smith's contribution to the discussion of value-based vocational education seem to be appropriate. There is Smith's critique of the university and public education. He looks back to the medieval beginnings of public schools and universities in Europe and observes that these were originally only intended for the training of a specific profession, namely the clergy. Despite the corresponding limitations, these educational institutions attracted the education of non-clergy people as well, especially many nobles and some of the wealthy. Smith criticizes that at that time there was no better way to bridge “the long
interval between infancy and that period of life at which men begin to apply in good earnest to the real business of the world, the business which is to employ them during the remainder of their days. The greater part of what is taught in schools and universities, however, does not seem to be the most proper preparation for that business" (Soares 2007:962f.

It is not very convincing that Smith instead preferred the conditions of education in ancient Greece, where every free citizen was taught gymnastics and music under the direction of the authorities. Nor can one accept his praise for the exercises in the Field of Mars in ancient Rome, which are said to have had the same purpose as those of the gymnasion in ancient Greece, and served it just as well. And what is particularly questionable is Smith’s historicizing view that their higher public morality is corroborated by the entire content of Greek and Roman history (Soares 2007:964f.). It is more helpful here to revisit Smith’s view of what he considers to be described as the “true business of the world,” that is, a career designed to fill the most of one's life. It is remarkable how often Smith uses not only the expression “business” but also the term “profession” for vocational activity. For example, of the 28 occasions on which he uses the term "profession" in his Theory, almost half are about vocational activity or vocational training. From today’s perspective, that shouldn't sound unusual at all, but it is an expression of a decisive change in the entire world interpretation of that time. In a medieval, pre-Reformation perspective, the term "profession" was used in the sense of a public vow that was taken before entering a monastery (Barnhart 1988:844; Rüther 1995:240f.; and Pope Paul IV. 1564:138f.).

The fact that a whole bundle of ethical requirements belonged to the charge of the term should be taken for granted. Equally self-evident should be part of the medieval, pre-Reformation perspective that the decisive contribution to coping with life - and thus the way to the kingdom of God - consisted solely in the orientation towards this goal set by God, which is why the training of clergy at the universities in the medieval way of thinking was perfectly plausible.

It should be emphasized that Smith's criticism of the universities and in general his way of thinking and his use of words in relation to the “profession” was post-Reformation usage. And the same thing might apply to this term “profession” as to the term “vocation”.

Not many people are aware that the origin of this term “vocation” lies in the fact that Jesus called people to follow him without any preconditions (e.g. Mt 4:18-22). It is the basic conviction of evangelical Christians that Jesus still does it today.

It should also not be apparent to everyone today that, after a while, however, monasticism had “confiscated” (Holl 1928:199) this early Christian concept of vocation (the κληρος or vocatio). And monasticism only granted a true vocation to those who became a priest, monk, nun, and thus also accepted the entire ensemble of associated Christian values. Now we should refer to the reformer Martin Luther. However, Adam Smith did neither read German nor refer to German literature (Viner 1927:227).

But in Scotland people were connected to the Reformation by John Calvin, a reformer who followed Luther. And that is why we must now look at the great upheaval associated with the new understanding of the term “vocation” by Luther when looking at the Scot Adam Smith. And there is a direct reference to the word "vocation" in Luther only since 1522, where he says: “Regardless of the lives and examples of all the saints, let each one do what he is commanded...
and practice his vocation“ (Drescher 1910:306) The replacement of the idea of a vocation from the sole claim by monasticism and clergy had to break the medieval social order based on the division of labor, according to which some prayed for salvation while the others worked for the worshipers. For now, according to Luther, every Christian in the sense of the general priesthood had the right and the duty to take care of protection and success for himself and the whole in prayer. That is why Luther then calls on Christians, in repeatedly similar formulations, to exercise their “vocation”. For example, he says: do not be tempted to “seek after goods like the ungodly. Trust God and stay in your vocation. For it is very easy for the LORD to make a poor man rich” (Hans Volz 1961:178). This means neither a dissolution of the busy activity of the Christian nor an elimination of piety, but a concentration of both. Everyone - not just special ministers - was now called where he lived and worked to serve for the glory of God and for the benefit of his neighbor.

The basic ideas of this new, enormously invigorating and motivating (Weber 1922b:100) understanding of the vocation can then be found in Calvin (Stückelberger 2009:10f./ see e.g. Baum 1864:299 or 532) after a few detours (Weber 1922b:68). In any case, this new understanding of the vocation as well as the profession was sensational, liberating and inspiring, just like in Luther's time, and there was no room for lies and deceit, theft or embezzlement. Rather, the ground was prepared for the essential values of honesty, loyalty, diligence and truthfulness, which are also essential in the vocational area.

VI. Examples of Value Orientation in Vocational Training with Adam Smith
Against the background of this development, it is plausible that for Adam Smith in the field of vocational education and training it was not only about increasing the economic results through stupid training, but at the same time about promoting moral values. According to Smith, there are two ways of earning and enjoying the respect and admiration of men. And that, in addition to the acquisition of wealth and distinction, is “the study of wisdom and the practice of virtue“ (Smith 1812:99). However, it should not be overlooked that at the time Smith was moving in a social environment that underestimated vocational training - a view that even in the current German educational scene is apparently only "gradually being abandoned" (Weber 2005:62). At any rate, at that time public sympathy was still clearly directed towards classical school education, because this alone was considered "necessary for a gentleman" (Encyklopædia Britannica (1973:96). And didn't a gentleman have to be guided by moral values?

Anyway. It may well be that it was precisely his view of instilling values that led Smith to take a critical stance on schooling and recommend raising children at home (Smith 1812:389). Apparently he then saw the question of the values to be conveyed as closely linked to the values lived in the family and in one's own job in a "natural way", possibly in the sense of the term "education through structures" (Nipkow 1982:235) that is so coined today. In any case, Smith explains that the long periods in which children are dependent on their parents and are unable to support themselves have extremely beneficial effects.

For all this time the dependent child is in many cases compelled to submit his will to theirs, to curb his passions and desires to a level he can handle, and thus learns, even in infancy, an essential one and most essential part of education, without which it would be in vain to first
establish it and try to impart it to others. This is one of the most necessary lessons one can acquire (Meek/ Raphael/ Stein 1982:142). And even among the most worthless of parents, every child experiences this piece of education (Meek/ Raphael/ Stein 1982:438).

Apparently, education, reason and virtue must be seen together for Smith. For in his view the qualities which are most useful to ourselves are, above all, superior intellect and eminent reason, which enable us to see even the remoter consequences of all our actions, and to foresee the benefits or harm that are likely to result from them. But he then adds, secondly, self-control, which enables us to abstain from present pleasure or endure present pain in order to attain greater pleasure or escape greater pain at a future time. In the combination of these two qualities consists the virtue of prudence, and of all the virtues that is the most useful for the individual (Smith 1812:326f.).

And then Smith goes on to emphasize the importance of learning moral feelings. Because if education in the broadest sense includes both the learning of "wisdom" and "moral feelings", it is central to a prosperous or flourishing society (Thomas 2018:105): because man can only exist in society and he is generally adapted by nature to that situation being, for which he was created, also means that all members of human society need mutual assistance. But where the necessary support is given by one member to another out of mutual love, out of gratitude, out of friendship and respect, then the society flourishes and is happy and grows, as it were, into a common center of mutual good service (Smith 1812:145).

In this respect, it is not surprising that Smith's conception of vocational education and training is broad and not limited to formal institutions such as schools and universities (Thomas 2018:108). So although he gives preference to the automatically value-based education in the home, he still makes suggestions for improving the education system. This also includes suggestions not to drive the learning process and the development of knowledge forward in a boring manner, but rather to be emotionally inspired with the pedagogical use of, e.g., "Wonder, Surprise and Admiration" (Smith 1980:33).

But perhaps more significantly, given the inequality in education in favor of the privileged in society, that Smith calls for educational opportunities for the entire population through schools in every community or county - at royalty rates that even an ordinary worker can afford (Soares 2007:976). Smith also argues that educating the "lower classes" is beneficial to the state. The more they are taught, the less succumbing are they to the "delusions of enthusiasm and superstition" which often arouse the most terrible disturbances in ignorant nations (Soares 2007:979). And undoubtedly such disturbances are in no way conducive to regular vocational practice.

What is more remarkable, however, is that in the work in which Smith knows how to popularly present the advantages of the division of labor to the public, Smith also shows the disadvantageous consequences of this advantage for the image of man and the values to which modern man must orient himself. And it's amazing how little that is appreciated in the literature. But Smith notes there:
“In the progress of the division of labour, the employment of the far greater part of those who live by labour, that is, of the great body of the people, comes to be confined to a few very simple operations, frequently to one or two. … He naturally loses, therefore, the habit of such exertion (of his understanding), and generally becomes as stupid and ignorant as it is possible for a human creature to become. The torpor of his mind renders him not only incapable of relishing or bearing a part in any rational conversation, but of conceiving any generous, noble, or tender sentiment, and consequently of forming any just judgment concerning many even of the ordinary duties of private life. Of the great and extensive interests of his country he is altogether incapable of judging, and unless very particular pains have been taken to render him otherwise, he is equally incapable of defending his country in war. The uniformity of his stationary life naturally corrupts the courage of his mind, and makes him regard with abhorrence the irregular, uncertain, and adventurous life of a soldier. It corrupts even the activity of his body, and renders him incapable of exerting his strength with vigour and perseverance in any other employment than that to which he has been bred. His dexterity at his own particular trade seems, in this manner, to be acquired at the expense of his intellectual, social, and martial virtues. But in every improved and civilised society this is the state into which the labouring poor, that is, the great body of the people, must necessarily fall, unless government takes some pains to prevent it” (Soares 2007:972f.).

For Muijnck/ Tieleman (2021:97), this passage rightly demonstrates that Smith sees the increase in efficiency only as one of various values that need to be considered with regard to the division of labor, and which then should also flow into a model for teaching and research in general.

VII. Outlook

Thomas (2018:114). rightly emphasizes the hope that such public provision of value-based professional education, which Smith calls for, based not only on observation and reason, but also on benevolence, caring, compassion and virtue, can mitigate the negative consequences of the otherwise impressively successful division of labor in such a way that it enables us to grow and prosper.

In any case, Smith's admonitions for value-based vocational training to compensate the deficits of the humanum in the division of labor demonstrate that his popular public perception as an advocate of sole economic logic is a narrowing down.

However, the question must be asked whether it should be the task of the state alone to provide such value-based vocational training, or whether it should not be a duty and also a matter close to the heart of every company and every professionally effective actor. Because in view of the reformatory reshaping of the term “vocation” or “profession” and the adoption of the associated set of values, it should not be forgotten that everyone was involved.

It is a pity that the welcome suggestions made in the United States by the Committee on Vocational Education and Economic Development in Depressed Areas to work with employers did not relate to Smith and his ideas. For surely it would have been in his interest, for example, to create mechanisms and incentives to encourage educators and employers to cooperate in the planning and delivery of vocational education and training without absolving the public education system of its responsibility (Sherman 1983:82). It should also be noted in this context that, internationally, a word combination with the term "profession" was not sought for
vocational education and training, but the term "VET" (vocational education and training) seems to have become common (see e.g. the magazine *International Journal for Research in Vocational Education and Training* (IJRVET) or Office of the European Union 2017).

And so it could be that in the field of vocational education and training, the important reminder and necessary encouragement for value orientation in the sense of Adam Smith wants to shine through even more clearly through this use of the word "vocation" instead of "profession".

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